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Chancellor to meet TUC chiefs to-night for new pay talks

BY ROY ROGERS, LABOUR CORRESPONDENT

TUC leaders and a Government team led by Mr. Denis Healey, Chancellor of the Exchequer, resume crucial pay policy negotiations this evening against a background of mounting pressure for an early settlement on an agreed voluntary policy to succeed the £6 a week flat rate deal, which expires at the end of July.

THE TUC's economic committee yesterday empowered their six-man negotiating team to continue discussions with the Chancellor "with a view to an early and mutually acceptable agreement."

But no compromise proposals have been put by either side yet and *it seems unlikely that an* agreement will emerge to-day. A further session of talks is likely later this week or early next week.

TUC leaders are now thinking in terms of holding a special general council on *May 12* to recommend acceptance of settlement terms, which they believe will be *agreed* by then. The terms would then go before a special TUC congress called for mid-June, although there is some feeling among members of the economic committee that the June congress should be brought forward because of worries about sterling.

The economic committee yesterday discussed the alternative forms that the next stage of pay policy could take—a percentage, a flat rate or a combination of the two—but there has still been no hard decision on a target figure.

The most likely outcome still appears to be a compromise between the Chancellor's Budget *offer of a 3 per cent. norm linked* to £1bn. of tax concessions and the TUC counter-proposals of *increases of about 5 per cent. in* addition to the offered tax relief. Both sides have rejected the *other's proposals and the TUC is* seeking to bring prices, pensions and import controls into the *negotiations.*

Major test

If the new policy does emerge about May 12 it will receive its first major test at the mid-May conference of the Amalgamated Union of Engineering Workers. The AUEW, *Britain's second* largest union, came out against the £6 policy last summer before *falling* in line with it at a special delegate meeting last December.

Further confidence that there will be an agreement was expressed yesterday by Mr. Len Murray, TUC general secretary, Mr. Jack Jones, general secretary of the Transport and General Workers Union and Mr. *Joel Barnett, chief secretary* at the Treasury, in a joint statement after a meeting of the TUC-Labour Party liaison committee.

In addition to declaring that the talks were "proceeding favourably," the joint liaison committee decided to refer back a document setting out a list of requirements for inclusion in *what Mr. James Callaghan, the* Prime Minister, described as the "social contract Mark II."

It was decided that their respectives research departments should be instructed to draw up a more realistic list which could be put before the June special TUC congress and the October Labour Party conference and that *this should centre on the need for* further action on jobs, prices and pensions.

As reported in yesterday's Financial Times, the liaison committee had before it a lengthy document listing a string of demands including import controls, more finance for the National Enterprise Board, continuing

Picture and USDAW conference, Page 13. Editorial Comment, Page 16; Pay talks going well, says Minister, Page 13; Consumer spending up, Page 8; Society To-day, Page 25

Continued on Back Page

Miners warned against isolation

BY OUR LABOUR STAFF

A STRONG plea to the miners not to isolate themselves from the rest of the trade union movement in their approach to wages policy came yesterday from a noted Left-winger, Mr. Lawrence Daly, miners' general secretary.

He was addressing the Midlands area conference of the National Union of Mineworkers in Southport on his first day at work since being seriously injured in a car crash last October.

Mr. Daly, well aware that militants in some coalfields are preparing to demand industrial action if the miners' top basic pay is not raised to £100 a week in negotiations early next year, urged the miners not to use their power with a go-it-alone policy on wages.

The *miners' national* policy-making conference will take place in the Isle of Man in July. Militants are expected to oppose vehemently whatever pay deal the TUC reaches with the Government.

Mr. Daly, who is also a member of the TUC economic committee, took a leading role in squashing militant demands on pay from within his union last year. Now that he is back *in harness, it seems clear he is* preparing to do the same again.

He *said he hoped that* the present negotiations between the TUC and the Government would succeed and that, after approval of such a pact at the special TUC congress in June, "we can go forward to the *application of a policy that* will help to reduce the rate of inflation and overcome the problem of chronic unemployment, as well.

On the £100 a week demand, he said: "The standard of living of the miner depends not on the number of pound notes he is paid by the Coal Board but what those pound notes are worth at the end of the day in terms of purchases."

Mr. Daly made it plain, however, that in his view the Chancellor's Budget offer of 3 *per cent. plus tax concessions* was not acceptable. He believed that the next stage of a voluntary pay policy had to be more flexible than last year's flat £6 rise.

£ in New York

—	April 26	Previous
Spot	$1.8200-8210	$1.8060-8080
1 month	0.97-0.87 dis	1.05-1.03 dis
3 months	2.85-2.75 dis	2.22-2.23 dis
12 months	7.60-2.36 dis	8.65-8.55 dis

Portugal poll underlines national split

BY PAUL ELLMAN LISBON, April 26.

A PROFOUNDLY divided Portuguese electorate to-day delivered a political verdict which threatened the country with a new period of political instability.

With 97 per cent. of the *ballots counted from Sunday's* Legislative Assembly elections—the first free parliamentary vote the Portuguese have enjoyed for 50 years — none of the parties, with the surprising exception of the Communists could point to the outcome with any satisfaction.

At this stage, the vote was divided as follows with last year's total in the elections for a constituent assembly in brackets:

Socialists	35%	(37.9%)
Popular Dmcrts.	24%	(26.4%)
Communists	15%	(12.5%)
Centre Dmcrts.	15.8%	(7.6%)

This would give the Socialists 106 seats, the PPD 71 seats, the CDS 41, the Communists 40 and the far-left Popular Democratic Union (UDP) one. The remaining four deputies were chosen from districts dominated by returned Portuguese colonials.

Turnout was put at 83 per cent. of the country's 6.5m. voters, compared with 92 per cent. last year.

The most *worrying sign* to political observers here was that the vote appeared to have polarised the electorate even further.

The Socialists can still derive some comfort from retaining *their position as the country's* biggest single party. The second largest group, the Popular Democrats suffered a severe reverse.

Although the PPD leader, Dr. Sa Carniero tried to put a brave face on the outcome of his campaign which was clearly aimed at exploiting what he called the "*Marxism*" *of the Socialists* by wooing "real social democrats" to his colours. There is now considerable speculation here as to his chances of holding the party together.

Dr. Sa Carneiro was one of the *first party leaders to provide a* foretaste of the political crisis which the result threatens to unleash in the coming weeks, by calling in the early hours of to-day for the expulsion of the Communist Party from the sixth Provisional Government.

The Socialist Leader, Dr. Soares in turn pledged that his *party would not form a coalition* with either the PPD or CDS which he termed "parties of the right."

In military circles the result has added fresh impetus to moves to "reconstruct" the Revolutionary Council of the Armed Forces which will have to bear much of the brunt of the *next months of instability* because of its position under the new constitution as guarantor of parliamentary democracy.

The Revolutionary Council is divided still between those who believe the armed forces should be rigorously apolitical and those, like Major Melo Antunes, the Foreign Minister, who believe that they still have a central role to play. Major Antunes' position is under considerable pressure and it is thought that this might be stepped up soon to prevent him exploiting the coming political crisis to support his standpoint.

In any case, it will be two *months before Portugal has a* fully constituted Government—the Cabinet selected from the *263-member Legislative Assembly* elected this week-end will not be chosen until after presidential elections are held in mid-summer.

DR. SOARES: Coalition rejected.

Contrary to most expectations, the Socialist losses appear to have been almost wholly to the Communists. In the central border area of Portalegre, the *Socialist vote fell by 9 per cent.*, while the Communists increased their share by over 4 per cent.

In the heavily left-wing town of Setubal on the southern fringe of the Lisbon industrial belt, the Socialists lost 6 per cent. of their votes compared to last year, while the Communists picked up 7 per cent. more.

A *similar phenomenon* could be observed in the southern Alentejo region, scene of most of the land expropriations carried out under the agrarian reform programme. In the regional capital, Beja which was the scene of violent clashes during the election campaign, the Socialists dropped four points, exactly *the size of the Communist increase.*

Editorial comment, Page 16

Healey wins some backing from EEC on economy

BY DAVID CURRY LUXEMBOURG, April 26.

MR. DENIS HEALEY, Chancellor of the Exchequer, to-day won some support from his EEC colleagues for the British *Government's view* that the *recent* decline in the international value of sterling was not justified by the country's economic performance.

Herr Hans Apel, German Finance Minister, and his French counterpart, M. Jean-Pierre Fourcade, agreed with Mr. Healey's analysis that objective economic *factors indicated an improving* U.K. position. M. Fourcade added that he thought the pound was *suffering* from the kind of speculation which had forced the French franc out of the EEC monetary snake six weeks ago.

Common Market Finance Ministers were meeting here informally at Mr. Healey's initiative to discuss the problem of unemployment. Inevitably, however, against a background of *continuing currency uncertainty*, a broader economic discussion occupied prime place on the agenda.

Mr. Healey asserted that the U.K. was not looking for Community financial assistance. He believed that the current price of sterling discounted future inflation as well as Britain's recent *record on price increases*.

Both Herr Apel and M. Fourcade indicated that Mr. Healey had given an optimistic picture of British economic recovery and of the prospects for narrowing the gap in *performance* between individual and European economies.

While Herr Apel appeared to endorse Mr. Healey's views that recently there had been a marked narrowing of differences in economic performance, he expressed doubts about the long-term validity of Mr. Healey's confidence.

The Ministers also discussed further short-term assistance to Italy. Italy has already received 1.5bn. units of account support in short-term money.

This has been rolled over so *that Italy has a further 1.5bn.* units available, but it is likely to be cut to 1.1bn. units as Britain has indicated that it cannot offer further help—which in this case would amount to *400m. units.*

Ministers apparently felt that there should be no more medium-term support for Italy at present and it is understood that Italy has not requested further help

In an additional move to aid Italy, central bank governors from the EEC have agreed to *take measures to stem illegal* export of Italian currency.

They have decided to ban either on a voluntary or on a compulsory basis the conversion of 50,000 lira and 100,000 lira notes. The effect of this should *be felt over the next few days.*

The Ministers disposed of a Commission paper originally submitted to the summit meeting at the beginning of this month dealing with the establishment of common economic disciplines *for member States in such* matters as monetary and incomes policy, treasury deficit financing and the balance of payments.

In particular, they wanted to have nothing to do with the parallel suggestions that sanctions could be imposed on States which strayed from the agreed path.

Although the remainder of this document remains on the table Ministers left little doubt that they intend to do very little to disurb it.

Italian loan details, Page 6
Farm Ministers to meet Back Page

After a weak opening, sterling achieved a much firmer trend in currency markets from mid-morning yesterday. It ended 40 points down from its London close on Friday—a new low—but more than a cent up on its New York close at $1.8180, for an effective depreciation of 37.7 per cent. *Dealers said that* more optimistic assessment of the pay talks helped sentiment a little. But news of the U.S. trade deficit, which weakened the dollar, had been the main influence.

Bolivia will not sign tin pact

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES rose sharply on the London Metal Exchange yesterday after an announcement by Bolivia, *the world's second biggest* tin producer, that she would not sign the proposed International *Tin Agreement*, due to come into force on July 1 when the present pact expires. Standard grade cash tin closed £130 up at a record price of £3,952 a tonne.

Bolivia is refusing to sign the new agreement because she claims the present "floor" and "ceiling" price ranges, agreed between producers and consumers, are too low in view of the rise in production costs. London market dealers viewed this announcement as a move towards seeking higher tin prices when the International Tin Council holds a special meeting in London a week to-day to consider relaxing or abolishing the present *restrictions on tin exports.*

The Tin Agreement has regulated prices and supplies for some 20 years, and is considered a model commodity pact between producer and consumer countries. It operates with a buffer stock buying and selling to keep prices within agreed ranges, with controls on exports if prices sink too near the "floor" level.

Prices are close to the "ceiling" as a result of export controls having restricted supplies for the past year and demand improving in recent months. But earlier this year, and for several months previously, prices were close to the "floor."

Bolivia as a high-cost producer has been particularly hit by the long period of depressed prices, *and claims to be still producing* at a loss. She is also generally dissatisfied with the terms of the new Tin Agreement, negotiated in Geneva last summer, at a time when the poor demand for tin put considerable pressure on the producing countries.

However, one notable achievement was to persuade the U.S. to join the Agreement for the first time, and it was felt this could pave the way for more commodity pacts between producers and consumers. Any setback to the new Tin Agreement would be a considerable blow to those hopes.

Bolivian threat, Page 35

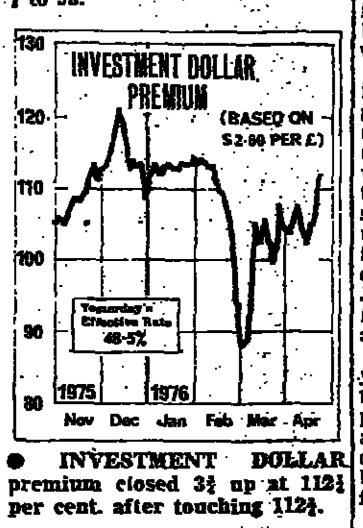
SUMMARY

BUSINESS

Equities up 4.1; Golds in demand

● **EQUITIES** rallied 4.1 to 405.1 on bear closing, but sentiment remained uneasy, *awaiting the outcome of the* pay policy talks. Trading was light. South African Golds were in *demand and the Mines index* rose 16.7 to 190.7

● **GILTS** were hit by sterling's initial poor showing, but losses of up to ¼ were largely eliminated by the close. Treasury 3 per cent. 1977 rose ¼ to 93.



● **INVESTMENT DOLLAR** premium closed 3½ up at 112½ per cent. after touching 112¾.

● **GOLD** rose 50 cents to $128.

● **STERLING** lost 40 points to $1.8190, after hitting $1.8055. Its weighted depreciation widened to 37.7 per cent. (37.5); the dollar's was 1.49 (1.44).

● **WALL STREET** closed 2.05 up at 1,002.76 after being off 5.9 in early trading.

● **WORLD BANK** Board meets to-day in the hope that a head-on row can be avoided with the U.S. Treasury *over* the bank's plans for increasing capitalisation by a third and giving developing countries more influence in its decision-making. Page 4

● **U.S. TRADE** deficit of $650m. in *March*—the largest for more than 12 months—and a sharp rise in machine tool orders show the growing strength of the U.S. economy. Back Page. West Germany reports a trade surplus of DM3.9bn. (£830m.) for March—up from *DM2.2bn.* in February and DM3.4bn. a year ago. Page 6

First export of North Sea oil

● **FIRST NORTH SEA OIL** exported from the British sector is to be shipped *to Germany* to-day. It is 55,000 tons of crude from BP's Forties Field. Page 8

● **MOTORISTS** will face higher petrol costs next week, when the big oil companies end their support *for price-cutting* Back Page

● **NUCLEAR FUEL** reprocessing deal between Japan and an Anglo-French consortium moved a step nearer with the resignations of two top Japanese officials and the appointment of a *new negotiating* team in Tokyo. Page 5

● **EBBW VALE STRIKE** by 900 maintenance workers, who voted to resume action over a pay dispute, threatens to halt *tin plate output* at the plant. Back Page

● **CONSUMER SPENDING** showed an unexpectedly *sharp* recovery in the first quarter. Page 8

● **AGRICULTURE** Ministry has moved to check an alarming rise in Britain's intervention beef "mountain." Page 35

COMPANIES

● **ENGLISH PROPERTY** Corporation is raising £29m. by reducing its holding in its Canadian subsidiary, Trizec *Corp.* Page 31 and Lex

● **JOHN LAING** and Sons raised its profits by £3.24m. to £14.46m. before tax and provisions. Its pre-tax result was ahead £5m. Page 30 and Lex

CE CHANGES YESTERDAY

ERDAY
e unless otherwise indicated.)
ISES

......	893 + 1	Unilever	488	+ 6
......	354 + 4	Vickers	194	+ 4
......	379 + 5	BP	650	+ 5
p. ...	735 + 10	Warren Tea	93	+ 4
......	45 + 3	Anglo American	310	+ 20
......	110 + 8	Consd. Gold Fields	186	+ 11
......	82 + 4	De Beers Dfd.	241	+ 15
y ...	43½ + 3	East Driefontein	860	+ 100
......	405 + 5	Free State Geduld	£16½	+ 2½
p. ...	45 + 5	Kloof Gold	555	+ 70
......	385 + 6	Palabora	870	+ 50
y ...	452 + 10	Potgietersrust Plat.	188	+ 16
......	108 + 4	President Brand	£13½	+ 2
......	15 + 3½	President Steyn	880	+ 100
ain ...	128 + 7	Unisel	140	+ 25
icer.	93 + 3	**FALLS**		
......	67 + 3	Aust. and N.Z. Bkg.	413	− 11
......	285 + 4	Casket (S.)	42	− 4
		Gelfer (A. and J.)	36	− 4
		M.L. Hldgs.	77	− 4
		Pilkington	325	− 5
		Pride and Clarke	136	− 7

LOMBARD

Need for sense of perspective

BY C. GORDON TETHER

ANYONE CAN see that there is everything to be said for trying to finalise at the earliest possible *moment arrangements for* the next phase of the disinflation programme which will command general support. All the same, it is surely wrong to foster the impression that the country is now so much at the mercy of the international banking community that trade union leaders cannot exercise their democratic right to dissent from the Government's proposed "tax relief for pay restraint" deal in any shape or form without being guilty of dangerously rocking the sterling boat.

I have been an unrepentant *advocate of the incomes policy* method of combating the wage-inflation menace for a very long time past. I was, indeed, vigorously campaigning for it when many of those who are now frenziedly calling for the instant acceptance of the Chancellor's 3 per cent. pay limit as a matter of economic life and death were denouncing the use of such disciplines as disastrous.

To my mind, however, it is not at all reasonable—or sensible—*to pre-empt the right of those* at the receiving end to have their say on the Chancellor's new incomes policy proposals on the argument that only complete and instant acceptance of this plan will appease overseas holders of sterling.

Other views

After all, the Healey plan was in the nature of an offer and *could be properly regarded*, therefore, as a basis for discussion. And, this apart, there is no justification for treating it—and the economic scenario for the year ahead of which it forms a part—as so near to perfection that there is simply *no room for other opinions*.

It can certainly be argued that the net effect of implementing the package in its original form would be to achieve a reduction *in spending power materially* larger than was needed to bring Britain's living standards into line with the so-called realities of our economic position. And this has considerable relevance to broader dissenting noises that some sections of the trade union movement have been making about the Government's proposals—that, the 3 per cent. limit on pay rises apart, they do not give enough attention to the *need to reverse the growth of* unemployment.

It is unfortunate that the long-standing official policy of encouraging the use of London as an international banking centre has finally created a situation wherein the behaviour of the £ is apt to be significantly affected by something as unsurprising as the fact that some *trade union leaders do not go* all the way with the Chancellor's disinflationary thinking. But *would it not be wrong to* suspend the normal functioning of the democratic process on this account?

We have heard a lot in recent weeks about how wrong it is for the Government to allow the trade unions to have a major say in determining the shape of economic policy for the year ahead by offering them cuts in taxation in exchange for their collaboration in holding the growth of incomes in check. Yet they *manifestly have a greater* right to play a decisive part in plotting our path than international *bankers making* their influence felt through sinister hints about what will happen if their ideas about how Britain should be run are not acted upon.

Stampede

There is the further important point that any attempt to *stampede dissenting trade* unionists into submission by blinding them with international monetary science could well be counter-productive in the disinflationary sense. This is not only because it could produce a hardening of hearts among the dissenters and thereby make a satisfactory compromise more difficult to achieve. It is also because it could jeopardise hopes of winning full "rank and file" support for whatever plan finally emerges—something that will clearly be essential to its smooth implementation.

My own feeling is that, if the international currency markets *have seen the relatively mild* reservations about the Healey plan voiced at trade union conferences during the past week or two as adequate justification *for marking the £* down to the extent that it has been, they have lost their sense of perspective. *But having said that, let me add* that, if they have, much of the responsibility lies in the behaviour of the home side.

If we in this country behave *as though the utterances of the* less docile trade union leaders on the Healey plan foreshadow the collapse of the drive to get the inflation rate down to manageable proportions — as there has been a tendency to do —it is hardly to be wondered at *if the currency markets adopt a* similar line. Having less acquaintance with the complexities of the situation than ourselves, they are naturally inclined to accept what they hear coming from the horse's mouth as gospel without further inquiry.

RACING — BY DOMINIC WIGAN

Annina may win tricky event

ORANGE BAY, who put up such a pleasing performance *on his* reappearance when finishing third behind Chil The Kite and Dominion in the one mile one furlong Earl of Sefton Stakes, returns to the Rowley Mile course for to-day's Jockey Club Stakes. I do not intend to oppose him.

Dr. Carlo Vittadini's top-class ex-Italian colt, an easy winner of the Italian Derby in Rome early last summer, is sure to have come on a few pounds as a *result of his Earl of* Sefton Stakes run, and with the additional three furlongs here in his *favour, it will be disappointing* if this Canisbay four-year-old is beaten.

If there is a surprise, the locally-trained Mr. Bigmore will probably be responsible. Peter Robinson's handsome Mandamus colt made remarkable improvement throughout last year and ended the season on a particularly impressive note when defying the 10 lbs penalty in the Manchester November Handicap, when he gave Night Sky 20 lbs. and a one-and-half-lenghts beating.

The third in that event, Ribellaro, can be given little *chance of turning the tables on* Mr. Bigmore, whom he meets on 13 lbs. worse terms.

Another intriguing race on to-day's high-class programme is the 7 furlongs Glenlivet Handicap, in which the chances of almost all the 20 runners must be respected.

NEWMARKET
2.00—As Blessed
2.30—Panorealm**
3.05—Orange Bay*
3.35—Annina***
4.10—Charley's Revenge
4.40—Valuation

Here I believe it could pay backers to row in with bottom weight *Annina*, whose 7 st. 1 lb will be reduced through Compton Rodrigues' 5 lbs apprentice allowance.

A roan daughter of that smart race mare Nedda, Annina put up her best performance last year when making all her own *running to* beat Friendly Builder by 1½ lengths in the Lambton Stakes over this course at the end of May. *A reproduction of* that form will make her hard to beat.

In a tricky event, which could result *in a blanket finish*, Annina is preferred to the favourite, Jellaby, and that game filly, Rippling, who put up two smart performances here in the autumn.

Even if they fail to land the Glenlivet with Rippling, Michael Stoute and Edward Hide ought not to leave the course empty-handed, for the consistent *Panorealm* looks set to take the Ely Handicap.

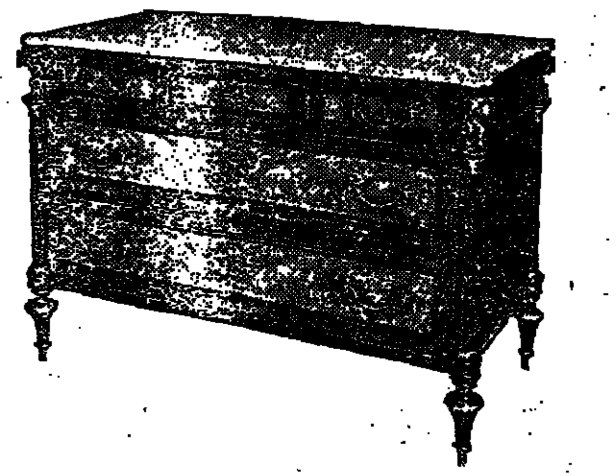
This good-quartered son of Realm gained three victories from four outings last season, winning Yarmouth, Leicester and Haydock.

Recent homework suggests he has made above-average improvement and I *take him to win at the* main expense of course and distance winner Doctor Wall, a *Porto Bello colt ridden* by Lester Piggott for Jeremy Tree.

Valuation, an impressive winner from Bagshot at the last meeting here, can confirm his superiority on 7 lbs worse terms in the Culford Stakes. The Queen's colt is on the upgrade *and could go on to make up into* a smart middle-distance performer.

SALEROOM — BY ANTONY THORNCROFT

Geneva clocks top £200,000



Royal offer: this late Louis XVI mahogany commode is being sold at Sotheby's on Friday for an expected £60,000-£80,000 plus premium.

THE London salerooms, Sotheby's and Christie's, are parading their Continental connections *this week, with the* former disposing of Mr. van den Heuvel's collection of Dutch and Flemish paintings at its Amsterdam saleroom, while Christie's is holding its regular April week sales in Geneva.

Christie's first auction at *Geneva, of clocks* and watches, went reasonably well for a total of £215,353, with the top lots going for about forecast. *The* highest price was £10,656 (before buyers commission) for a Swiss gold and enamel automaton snuff box, made in Geneva in *1810* by Piguet and Meylan. An enamel silver automaton musical clock, made in England, about *1800* and believed to have been the property fo the Empress of China, was sold for £8,888, while a wall mounted, month going, regulator clock by the famed *Breguet went for £7,111*.

Christie's was also busy in London with an auction of Chinese jades, and a more mixed sale of works of art and sculpture. The Chinese sale brought in £89,330. A large celadon jade bowl was bought *by the American firm Rare Art* for £6,500 plus 10 per cent. buyers' premium, on target, while a mottled yellow and brown jade carving of a reclining camel went above forecast to a private buyer for £5,500. This was the best price for an item from Mrs. Sarah Garrett's collection, which made £46,630 *in all*.

The London dealer W. Clayton paid £4,500, almost four times the *forecast*, for a large white jade carving of two Buddhist lions, while the Earl of Harewood's Moghul moss green jade stand was bought by H. Sena of *Bangkok for £4,200*.

In the other sale, which realised £61,276, a 19th century Italian ivory group made £2,500 and a pair of Limoges enamel dishes went to the London dealers, Sheppherd and Cooper for £2,500. A set of 12 bronze statuettes of Roman emperors sold for £2,300, while among the humbler lots the Castle Museum in Norwich gave £400 for an early 15th century gilt bronze statuette of the Virgin, which had been dug up at Quiddenham *in Norfolk*.

At Phillip's, a marquetry longcase clock was acquired by Dawkings for £1,300, in a furniture sale which made £31,095.

FILM AND VIDEO — BY JOHN CHITTOCK

Sponsored films: emphasi[s] on the customer's needs

SINCE ITS adoption by industry 50 years ago, the sponsored film has enjoyed one advantage over other promotional and selling media: if a company wishes to attract a selected group of people to come and hear their *story, a film show* will frequently do the trick. But over the years, the novelty has begun to wear a little thin as more companies are using the same trick. A healthy emphasis should be now shifting to the content and quality of *the film itself*.

Unfortunately, this is not always happening. Many films remain much the same as they were five, ten and even 25 years ago, whereas *the requirements* of the audience—usually the potential customer—have shifted considerably.

Impatient

Not only has the pace and style of film production changed (partly influenced by television), but *audiences* are *more* impatient these days—a symptom of more competition for their working and leisure time. An unconscious recognition of the need *is evident in the forms of* cinematic shorthand now familiar to television viewers—an actor can leave his office and next be seen playing golf 100 miles away, whereas *once a film* would have shown him descending the stairs, driving away, alighting from his car, entering golf club, etc.

The rare exception appears when an industrial sponsor has carefully identified his own selling strategies, related them to the specific needs of his customers, and produced a film that is totally orientated to what the customer wants to know—not what the sponsor wishes to tell him.

These lessons are all to be seen, with many others, in the various films entered for this year's Financial Times Export Award, which is presented annually at the British Sponsored Film Festival. The award—the winner of which will be announced at the Festival next month—is made to the film most calculated to promote British exports. The standard generally this year is better, with fewer films appearing to have no purpose at all other than to please the company chairman and more films *shrewdly* aimed at exciting the customer's interest.

Thus *Learn English—in England*, sponsored by British Airways, *is aimed at foreign* audiences to show how package trips are now organised specifically for language students. For a foreigner contemplating such a *visit*, the film is perfectly orientated—showing exactly what happens on such a trip, the kind of formal teaching provided during the visit, the ambience of English family life (students are boarded in English homes), and some of the attractions of this *country* for what is in fact a working holiday. The emphasis is thus entirely on what the audience requires—whereas, of course, the *real* purpose of the *film is* to sell more travel on British Airways—something this excellent film should achieve.

On the other hand, *FV 180*—sponsored by Sinclair Associates—is a hard selling film with total emphasis on the company's product. Not being an expert in the armaments of modern warfare, I can *only crudely* describe the product as the Sapper's Multi-Purpose Digging Tool; although in this instance it is on tracked wheels, armour-plated, *as big and agile as a tank*, and capable of doing everything from trench digging and bridge laying to, probably, brewing tea. This fast-moving film shows all the selling points impressively, without relying on sales talk to do the convincing.

Irrigation

A totally different problem is served in George Wimpey's *Flaminda—Rain by Computer*. This film tells the story of an extraordinary irrigation project in Romania, where Wimpey were *involved* in a big way. The film has all the dignity and restraint of a BBC *Horizon* programme, and the same degree of technical fascination. *Subtly in the background*, of course, are Wimpey—but never obviously. How else could a salesman re-tell this complex story of commercial co-ope[ra]tion to the next prospect [he] meets?

These three examples fro[m] the entries each typify [a] different kind of sellin[g] problem. A fourth and unusu[al] situation arises in a new releas[e] in the sales training film mark[et]. As most sales managers are no[w] *fully aware, film companies* an[d] distributors have been enjoyin[g] quite a bonanza in recent year[s] offering films on almost eve[ry] conceivable aspect of selling.

Strategy

One of the latest, How to Se[ll] attempts to take its audien[ce] right back to the drawing boar[d] —which is sensible enoug[h] although I personally find th[e] *training expert in the film*, Ro[y] Tew, unconvincing despite h[is] reputation. However, th[e] interesting point about th[is] particular film is a strategy i[ts] *producers*—Cygnet Guild Com[]munications—have evolved f[or] helping to sell the film. Lear[n]ing from their own lesson th[at] customer need remains the fir[st] priority, Cygnet *Guild have de*signed the production to accep[t] tailor-made film modules t[o] introduce specific details relate[d] to the user's own product o[r] business. For a flat sum o[f] £1,090, Cygnet Guild are offe[r]ing to produce these modules o[f] up to five minutes length so tha[t] trainers can tag their own stor[y] on the end of copies they us[e] internally.

Such are some rando[m] examples of selling films wher[e] thankfully, their makers hav[e] thought about the problems in[]volved. There remains a moras[s] *of other films where sponsor[s]* are totally preoccupied wit[h] their own rather than the custo[]mer's need; where informatio[n] content is low and tedium o[f] exposition high. Not only d[o] customers expect something fo[r] *their money*, if they are to b[e] shown a film, they nowada[ys] also expect something for the[ir] time.

Car toll plan rejected

OFFICIALS HAVE rejected proposals for a ring of toll booths round Bristol to charge motorists *during peak periods as part of* a car restraint policy.

The toll booths are recommended in a £600,000 study of the city's traffic problems up to the 1980s, conducted by Jamieson Mackay and Partners, consulti[ng] civil and transport engineers.

In a 170-page report on t[he] consultants' findings, the cord[on] plan was rejected by Mr. Willi[am] Lee, the county engineer, a[nd] Dr. Howard Stutchbury, coun[ty] planning officer.

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.38 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Thomas. 1.50 Ring-a-Ding. 2.00 You And Me. 2.15 For Schools, Colleges. 3.25 Dechrau Canu Dechrau Canmol. 3.58 Regional News (except London). 4.00 Play School. 4.25 Crystal Tipps and Alistair. 4.30 Jackanory. 4.45 Goober and the Ghost Chasers. 5.05 John Craven's Newsround. 5.15 Vision On. 5.40 Magic Roundabout.

5.45 News.
6.00 Nationwide.
6.55 Young Scientists of the Year.
7.20 The Olympiad.
8.10 Angels.
9.00 News.
9.25 I Didn't Know You Cared.
9.55 Gold! Gold! Gold!
10.45 To-night.
11.20 May I Have The Pleasure?
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 2.40-3.00 p.m. For *Schools. Gwlad A Thref.* 6.00-6.55 Wales To-day. 6.55-7.20 Heddiw. 9.55-10.45 Miss Wales 1976. 11.45 News and Weather for Wales.

Scotland—6.00-6.55 p.m. Reporting Scotland. 11.45 News Summary and Weather for Scotland.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 11.45 News Headlines and Weather for Northern Ireland.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, *Newcastle*); Midlands To-day (from Birmingham); Look East (from Norwich); Points West *(from Bristol)*; South To-day (from Southampton); Spotlight South-East (from Plymouth).

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
11.25-11.50 Open University.
2.30 p.m. Peter Donaldson's Illustrated Economics.
5.00 Open University.
7.05 *Middle East.*
7.29 Weather.
7.30 Newsday.
7.45 *The Book Programme.*
8.10 America.
†9.00 Tuesday Cinema: "Back Street," *starring* Charles Boyer.
10.25 The Old Grey Whistle Test.
11.05 Newsnight.
11.25-11.30 Closedown: Richard Bebb reads "Fishing Langton Pond," by John Cassidy.

LONDON

9.30 Schools Programmes. 12.00 Paperplay. 12.10 p.m. Mister Trimble. 12.30 Treasures In Store. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.25 Racing from Newmarket. 3.55 General Hospital. 4.25 Arrows. 4.50 Lookout. 5.20 Nanny and the Professor.

5.50 News From ITN.
6.00 To-day.
6.40 Crossroads.
7.05 *A Little Bit Of Wisdom.*
7.35 Tuesday Film Premiere: "Houston, We've Got A Problem."
9.00 Pilger In Australia.
10.00 News.
10.30 Plays For Britain.
11.40 Drive-In.
12.10 a.m. Barnaby Jones.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 The Flintstones. 6.00 About Anglia. 7.00 Cartoon Time. 7.10 The Tuesday Movie: "Owen Marshall, Counsellor at Law." 12.10 a.m. Your Choice.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Spiderman. 6.00 ATV To-day. 7.30 Cartoon Time: Woody Woodpecker. 7.35 The Tuesday Mystery Movie: Columbo. 11.40 Angling To-day.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 Sky. 6.00 Border News and Lookaround. 7.30 Cartoon Time: 7.35 TV Movie: McMillan and Wife. †12.10 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunch-time News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report At Six. 7.00 Treasure Hunt. 7.30 Star Movie: "Gentlemen Prefer Blondes." 11.40 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Chopper 1. 6.00 Grampian Today. 6.10 Country Focus. 7.30 Cartoon Time. 7.35 Columbo. 12.10 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †5.15 Stamp Stories. 5.20 Crossroads. 6.00 Granada Reports. 6.35 The Adventurer. 7.35 *Mystery Movie: Madigan.* 11.40 The Collaborators.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.00 Report West. 6.20 Report Wales. 6.40 A Little Bit of Wisdom. 7.10 The Tuesday Mystery Movie—McCloud.

HTV Cymru/Wales—As HTV General Service *except* 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.00-6.20 Y Dydd. 10.30 Ar Brawf. 11.15 Book Review. 11.30 World in Action.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Pipet and His Friends. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Love, American Style. 6.40 *Feature Film: "The Comancheros"* starring John Wayne. 8.30 Meet Marie Gordon-Price. 11.40 Late Call. 11.45 The Odd Couple.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 *Go Fly a Kite.* 5.25 Crossroads. 6.00 Day by Day. 6.45 A Little Bit of Wisdom. 7.15 "Evil Roy Slade" (TV movie). 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30† The Doris Day Show. 5.20 Emmerdale Farm. 6.00 To-day at Six. For Now You're *Gonna Believe* Us (story of Sunderland's promotion). 7.30 Betty Boop. 7.35 Columbo. 11.30 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 *Ulster News Headlines.* 5.20 Sky. 6.00 UTV Reports. †7.30 Tuesday Movie: "Calling Bulldog Drummond" starring David Tomlinson. 11.40 UTV Profile.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Star Movie: "Gentlemen Prefer Blondes" starring Marilyn Monroe and Jane Russell. 11.42 Westward Late News. 11.45 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Three Little Words. 5.20 Emmerdale Farm. 6.00 Calendar. 7.30 Cartoon Time. 7.35 Columbo. 11.40 A Matter for Concern.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 David Hamilton with The Radio 1 Roadshow from The Tyrls, City Hall, Bradford. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker including this week's new Top *30 discs. 2.02 Ed Stewart (S)* (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Simon Bates (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Terry Wogan's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 Ed Stewart (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk and Racing from Newmarket at 3.05 and 3.35. 4.30 Waggoners Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond (S). 8.02 Ian Carmichael's *Music Night (S).* 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 The American Showmen (S). 11.02 Michael Meech with The Late Show (1500m only, also 202m Scotland VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Sibelius (S). 9.50 Howard Shelley (S). 10.35 Academy of the BBC (S). 11.40 Voice and Lute (S). 12.20 p.m. Llandaff Cathedral Concert part 1: Berlioz, Ravel (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Concert part 2: Saint-Saens (S). 2.05 Music In Our Time (S). 2.55 Mozart's Haffner Serenade (S). 3.45 Song Recital (S). 4.55 Jazz Today (S) with records. 5.25 Pied Piper (S). ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Work and Training. 7.30 BBC Northern Symphony Orchestra part 1: Haydn, Tippett (S). 8.15 Science on a Hinge of History. 8.30 Concert part 2: Beethoven (S). 9.25 Drama Now (S). 10.10 Alan Bush concert (S). 10.40 Historic Performances on Record: Victor de Sabata. 11.25-11.30 News.

Radio 3 VHF only — 6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today including 6.55 Today's Listening and Weather. 7.00 News and more of Today including 7.25 VHF Regional News. †7.28 Weather. 7.30 News Headlines. 7.45 Thought for the Day. 7.55 Today's Listening. 8.00 News and *more of Today* including 8.25 VHF Regional News. †8.28 Weather. 8.30 News Headlines and Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (from 9.20). †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. †11.00 News. †11.05 Down Your Way. †11.45 The Wit and Wisdom of Lord Hailsham. 12.00 News. 12.02 p.m. You And Yours. 12.27 Dad's Army. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) including 2.00-2.02 News. †2.45 Listen With Mother. 3.00 News. 3.05 The Inquisitor (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 My Music (S). 6.45 The Archers. 7.00 News Desk. 7.30 BBC Northern Symphony Orchestra, part 1 (as Radio 3) (S). 8.15 Science on a Hinge of History (as Radio 3). 8.30 Concert, part 2 (S) (as *Radio 3*). 9.25 *Kaleidoscope.* 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.30 News.

For Schools (VHF only) 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.0 a.m. As Radio 2. 6.30 Richard Vaughan with Rush Hour. 9.00 Susie Barnes with London Live. 11.03 In Town. 12.03 p.m. Robbie Vincent's Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Matter of Fact. 4.32 Tony Fish with Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Weekly Echo. 8.30 All That Jazz. 10.03 David Simmons' Late Night London. 12.0-12.05 a.m. As Radio 2.

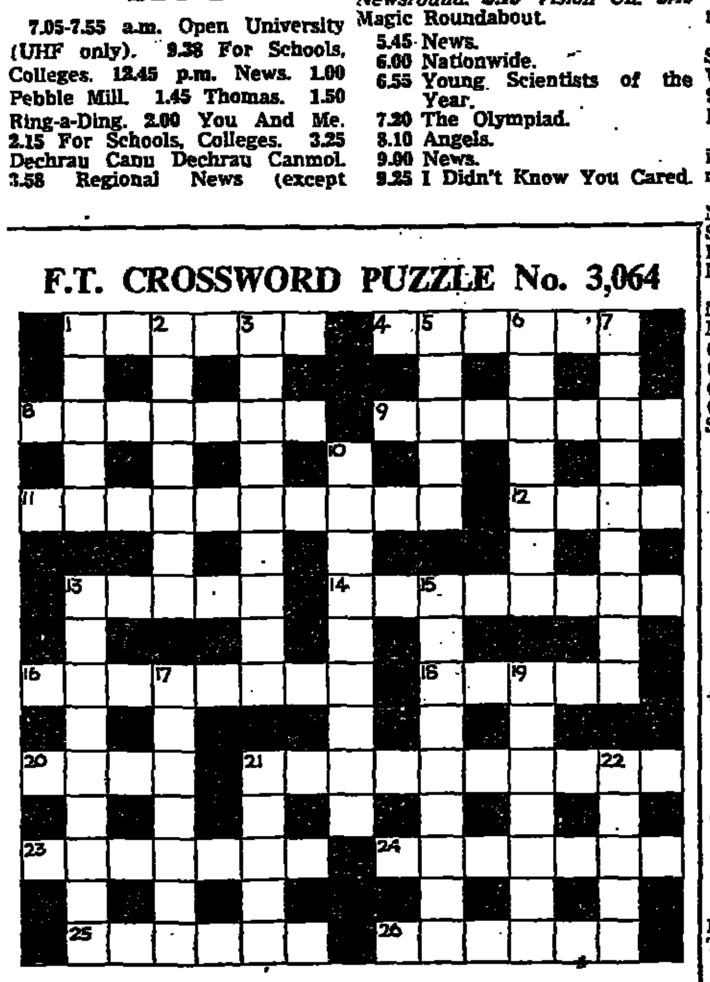
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M.": breakfast-time show. 10.00 Brian Hayes: talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch: news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: the Breakfast Show. 9.00 Tony Myatt. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 Jane Walmsley and Bryan Wolfe: London To-day. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 The Late Show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,064



ACROSS

1 A lot to eat for Transport House and family (4, 2)
4 A copper joining soldiers needs keen perception (6)
8 Express disapproval but draw the line at torture (7)
9 Clergyman has one taken out for *church* (7)
11 Snack recorded in Cheshire register (6, 4)
12 Girl raised to flag rank (4)
13 Swim with Batman (5)
14 Criminal taken from fire guard (8)
16 Want a spinner to go soundly for a sleeper (4, 1, 3)
18 Article for instance is giving protection (5)
20 Man about to make present call (4)
21 Teacher at drama school shows old-fashioned diligence (5-5)
23 Though only holding the ring he's the winner (4, 3)
24 Don't give the game away when insurance increased (5, 2)
25 Fatter kind of food store? (6)
26 Check flow of discordant chants (6)

DOWN

1 Refuse to say Turkish leader spotted complaint (5)
2 *Most rudely brief* dog trial (7)
3 Fashionable showing mercy though cold and stormy (9)
5 Cold hits church badly (5)
6 Failure over tiny bit of errand (7)
7 Born to have dinner on board of necessity (9)
10 Talk like this as it were (2, 2, 5)
13 Match-girl fit for prison (9)
15 Fainted when it snowed abroad (6, 3)
17 Builder meets parish priest from the east (7)
19 Make donee go give former evening greeting (7)
21 Lean over (5)
22 Caught by hurry to obtain squash (5)

SOLUTION TO PUZZLE No. 3,063

T	H	A	M	E	S	■	A	M	B	R	O	S	I	A
A	■	L	■	S	■	M	■	I	■	O	■	T	■	L
P	O	T	T	A	G	E	■	N	E	U	T	R	A	L
E	■	I	■	U	■	N	■	D	■	N	■	A	■	A
S	U	M	P	■	P	U	L	L	E	D	A	W	A	Y
T	■	E	■	B	■	S	■	E	■	H	■	■	■	S
R	A	T	I	O	N	■	A	S	T	O	U	N	D	■
Y	■	E	■	N	■	D	■	S	■	U	■	O	■	A
■	B	R	I	D	G	E	T	■	U	S	U	R	E	R
B	■		■	I	■	V	■	S	■	E	■	E	■	R
L	O	N	G	B	R	E	A	K	S	■	I	D	L	E
O	■	I	■	E	■	N	■	I	■	M	■	R	■	S
W	I	S	S	A	N	T	■	P	R	E	F	E	C	T
U	■	A	■	C	■	E	■	S	■	T	■	S	■	E
P	U	N	C	H	E	R	S	■	T	E	A	S	E	R

CINEMAS ARE CONTINUED ON PAGE 31

eum

Muslim Court Art of India

by DENYS SUTTON, Editor of Apollo

Feeding an elephant (c. 1620)

...hievements of ...lam Festival ...een to drive ... relationships ... one form of ...nother and to ...nections that ...amic painting ... instance, in ...e world. One ... in getting to ... painting, as ...ecture or the ...s that it is ...ost of it was ...strations for ... as such kept ... it is to be ... result of the ... in Islamic art ... now on the ... will stage a ...ng series of ...ones would ...amic material

...allery adjacent ... has on display ...ition of paint... Muslim courts, ... drawn from ... though some ...al has been ...he Continent ... well-selected ...ed exhibition ... Pinder-Wilson ...native in the ... development ...slim India of ... seventeenth ...e days of the ...d Shah Jahan.

...e exhibition, ... mind other ...court life—the ...de and the ... These con... luxury and ..., as the paint...ere days when ...courtiers wore ...ant apparel.

... contains a ...ieces in which ... and human ... two of the ... The chance of ...ork with that ...iod which can ... the Hayward ...i's, which has ...ow of items ...ld and Binney ...st instructive. ... more elegant, ... and dreamy ... Muslim courts, ... move as if taking part in a languorous dance. On the other hand, the painters of Muslim India have more strength and personality.

In both cases, of course, such painting is essentially narrative, and it is a question of taste as to whether or not these or the more abstract and earlier Islamic work, such as the Korans, on show in the British Library (as in the Hayward Gallery) offer deeper aesthetic pleasure. Some of the most enchanting paintings at the British Museum are portraits in which figures in profile are placed against soft background colours or of bird and animal life. The elephant is sympathetically treated and always enjoys a special place in Indian art. Mughal pictures are fascinating as well as for the information they provide about local life — the garden party given by Babur at Agra to celebrate the conquest of Hindustan, garden scenes, and the building of the famous fort at Agra.

One of the most brilliant of the paintings on view at the British Museum is also one of the earliest—the picture on cotton (c. 1550-60) of the Emperors and Princes of the House of Timur. However, only one portrait, that of Timur, is contemporary with the painting while those of the others, Akbar, Jahangir and Shah Jahan, were probably painted later. Character is given to the picture by the beautifully patterned trees: it is one of those works which explain the appeal that Islamic art held for William Morris and others of his time.

In general Mughal painting is small in size, so that the scale of some of the early examples is surprising. These are from a group of illustrations of the Hamzanama, a Persian romance dedicated to the exploits of the Prophet's uncle, and in which the distortions of perspective and the colours—greens and reds—have a bold character. Nature was viewed as a source of enchantment and the mangoes and exotic trees could form the theme of a poem by Edith Sitwell.

Among the interesting observations made by Ralph Pinder-Wilson in the catalogue is that Akbar with his interest in naturalism in art considered European painting "as a yard-stick of excellence." He also points out that the tonal variations used to indicate distance "could only have come from European paintings and the most likely source would have been the manuscript miniatures, perhaps those of the Flemish School of the early sixteenth century."

Most studies of the relationship between East and West deal with those exerted by the former on the latter, though Michael Sullivan's *The Meeting of Eastern and Western Art* is an exception. Particular interest therefore is attached to the stimulating essay by Eleanor G. Simons on "Five seventeenth-century Persian oil paintings" in the catalogue of the Colnaghi exhibition which displays the works in question.

Miss Simons evokes the cosmopolitan atmosphere of seventeenth-century Isafhan, the time of Shah Abbas, and examines the role of the Armenians in bringing foreign works of art including paintings to this city and the presence there of that intriguing Dutch painter J. L. van Hasselt. She also draws attention to the enchanting decorative paintings in the Chehel Sutun pavilion which are in the process of restoration and which embody the elegance of Safavid art. However, not every visitor to this exquisite building will agree with her praise of the pictures of audience scenes in the pavilion.

The discussion about the five paintings on view is admirable and she goes into such interesting questions as the origin of the materials worn by the sitters. These unusual works are a reminder of the extent to which knowledge about this phase in Iranian art requires to be completed. Research also requires to be undertaken into Qajar painting and decoration. The richness of Qajar interiors was considerable and when in Isafahan a few months ago I had the pleasure of seeing a town house which is being carefully restored as part of a notable programme being undertaken by the Imperial Government.

Royal Northern College of Music, Manchester

Northern Dance Theatre

by CLEMENT CRISP

Northern Dance Theatre opened a week's season on Saturday night with a programme containing three additions to the repertory. Pride of place must inevitably go to the presence of Paula Hinton in a revival of Walter Gore's *Eaters of Darkness*. Over the past few years NDT has earned our gratitude by allowing us to see Miss Hinton, one of the outstanding dramatic artists of British ballet, in works by Walter Gore, a major choreographer too little appreciated to-day by our major companies. The oddity of this situation makes the chance to see *Eaters of Darkness* all the more precious. Paula Hinton plays a newly-married woman committed to a madhouse by her husband for his own ends—the case history is authentic—and driven to insanity by her sufferings. Gore's own setting of a dark and monstrous cell, his power to devise succinct characterisations for the asylum's inmates, and to shape the action most skilfully into the changing moods of Britten's *Frank Bridge Variations*, make a brave frame for Miss Hinton's performance.

She is a dancer who invests every movement, every gesture with intense feeling. Totally communicative, she is yet always restrained: there is not one cheap effect, not one moment when you do not believe utterly in the woman's plight. The descent into madness is a matter of inner tensions subtly revealed: no one can imbue a trembling *pas de bourrée* with greater force. When the one man in the madhouse who offers her compassion (an excellent portrait by John Haynes) is killed, her hands, hardly daring at first to touch his face, speak volumes. Her final vengeance on the murderer (a fine, ferocious reading by Keith Rosson) is terrifying: we are watching an artist whose every performance is to be treasured. For the history books let me also gratefully record that Walter Gore appeared at this revival, apparently extemporising a vignette as a madman and reminding us thereby that he was—and still is—one of our finest dance actors.

There were two brand new ballets included in the programme. The more considerable was Jonathan Thorpe's *Spring Song*. It is a work of unabashed youthful innocence taking something of its open-hearted quality from Dvorak's Op. 96 String Quartet in F major, which was inspired by the life of the Bohemian communities the composer found in America. The ballet is a springtime encounter—Michael Holt's pretty setting suggests laburnum trees in bloom—in which young men and women play and flirt, and innocent folksy pleasure is all. It seems to me to be not quite enough, despite the winning charm of the dancers who romp and sport without a care in the world. The mood of rural happiness is sustained throughout as the dances wend their merry way in ingenious but relentlessly sunny succession. What ultimately seems lacking is a core of feeling, an incident or relationship that would bring the piece into focus—it is like a radiant landscape from which some crucial foreground figures have been omitted. It is well danced by the company, who look stronger than ever before, with outstanding contributions from Ursula Hägeli and Sui Kan Chiang as the leading girls.

The second novelty was Royston Maldoom's *The Four Seasons*. This uses slow movements from the Vivaldi concerti for a series of choreographic *haiku* which seek to capture some brief aspects of the seasons. The resultant images for three couples are oddly static and lack something of the concentrated observation needed to fix the very essence of a fleeting moment.

The evening ended with Jack Carter's *Impromptu for Twelve*, a recent arrival in the repertory, full of jokes about performers driven to various sorts of dance-mayhem by the *William Tell* ballet music. NDT's cast enjoy themselves, especially the witty Alexandra Worrall, and Norma Atallah, whose zany way with a fan could wreak splendid havoc in almost any Spanish ballet.

Elizabeth Hall/Ronnie Scott's

National Youth Jazz Orchestra

by KEVIN HENRIQUES

A few hours after Great Britain's classical youth orchestra concluded the final passage of *Petrushka* in the Festival Hall on Saturday afternoon, the National Youth Jazz Orchestra in the Elizabeth Hall launched into the opening bars of its signature tune, "NYJO," to mark the start of a 2½ hour concert of fiery, invigorating, totally enjoyable big band jazz.

In its first London concert since returning from a successful three-week visit to the U.S. the 26-strong band—age range from mid-teens to mid-20s—played a typically well-balanced mixture of originals written for it plus standards. Once again it proved its superior quality: punch aplenty, facility in any unusual time signature and evidence of hard work in rehearsal with some new pieces.

Impressive solos from several sidemen, highlighted by the superior alto and soprano-sax of Phil Todd, trumpeters Guy Barker and Chris Smith and trombonist Mike Harding. Bonuses came with the guests who played with the band, that rhapsodic tenor-saxist Danny Moss and agile trumpeter/flugelhornist John McLeavy, an inveterate concert-stopper who always delights with that oft-neglected quality in jazz, wit.

Indeed happiness and good humour permeated the whole concert and it would be hard to think of a more suitable British band to take jazz back to the land of its birth in its bi-centennial year. Ironic then—and shameful, too—that NYJO's trip was so poorly supported by grants from the country's leading disbursers of largesse for the arts.

It is worth underlining forcefully that whereas the classical youth orchestra receives (and rightly so) substantial annual grants from the Arts Council and elsewhere (including £45,000 over the next three years from Lloyds Bank) NYJO, which is in no way related, receives meagre grant support.

Yet NYJO is a round-the-year organisation consisting of youngsters at school or music college. In its 11 years' existence it has made tours of Europe, released three LPs, appeared on radio and TV and produced some of this country's best and best-known jazz, recording and session musicians. Yet NYJO is disdainfully treated by those who distribute money for musical endeavour.

★

Meanwhile at Ronnie Scott's Club until the end of the week similarly stirring sounds are coming from an array of seasoned professionals encumbered with the burdensome title of The Greatest Swing Band in The World. In reality the band, fronted by trumpeter Stan Reynolds, is an offshoot of the old Ted Heath outfit and several Heath sidemen are well in evidence.

So, too, are the attributes associated with that superb band: firm, precise section playing, immaculate execution of mostly familiar standards, some from the Heath library such as Johnny Keating's "Headin' North," "The Man I Love" and "Melancholy Baby." Unsurprisingly, as Ted Heath was a trombonist, the trombones as a unit are impeccable.

Though this is no nostalgia trip the band will delight the very many who still like good, old-fashioned melody and those who enjoy honest, straight-ahead big band playing.

Opposite TGSBITW is a quartet of four more experienced British jazzmen led by Tommy Whittle, too often forgotten when listing the best of the country's tenor-saxists. He has TV bandleader Jack Parnell on drums, making a rare club appearance and playing with restraint to the point of self-effacement. On piano is Tony Lee, more dashing and adventurous than ever, and on bass the ever-dependable Lennie Bush

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...n the Terrible

...NALD CRICHTON

...n the Terrible ...ade out of the ... parts of Eisen... assembling was ... Stassevich, who ...n recording: in ...im music by a ...re into concert ... do a good deal ... writing, rescor... intended for a ...he sound track, ... things, restor...n by Prokofiev ... not used by ...s memoirs, the ... a fascinating ...okofiev's work...h his uncanny ...and match the ...ven film scene ...following words then have become ossified. Russia and Spain, at the extreme ends of Europe; both have very long national musical tails.

...formance by ...rmonia Chorus ...nder Riccardo ... complete, one ... well attended ...ally greeted. ...nd enthusiasm ...ar, economical ...ewarded with ...ive, sharply ... and singing. ...ins a large ... immediately ... some of it ...ut captivating ...kofiev had the ... by some ... of the period, ... sap out of a ... that might by

When Mr. Muti next performs *Ivan* he might consider suppressing the interval, which broke the atmosphere on Sunday and made the second half feel long. He might also consider doing the work in English. The Russian language lent undeniable splendour to the choral singing and made Irina Arkhipova's treatment of the contralto solos sound doubly authentic and affectionate. But the spoken portions (there is one general narrator and a longish part for the Tsar) surely need, if they are to be done in the original, a flamboyant rhetorical style in keeping with the larger-than-life acting in the film.

The two Czech speakers at this performance, Otakar Brousek and Vaclav Zitek, were dignified but seemingly reluctant to go all out. Gianluigi Colmagro took the short baritone solo. A word of gratitude for some sumptuous choral singing, not least in those simple, ur-Russian choruses that might have come from a forgotten opera by Rimsky Korsakov but were none the worse for that. Also to the orchestra for some electrifying moments and to the whole ensemble for the rousing, glittering finale, which threatened to beat Mussorgsky's *Pictures* and Stravinsky's *Firebird* at their own endgames.

Leonard Burt

'La Grande Eugene' which opened last night at the Round House.

Elizabeth Hall

Rita Streich

by ELIZABETH FORBES

The German soprano Rita Streich gives a recital about once a year, usually in the Elizabeth Hall. Her programmes, though seldom adventurous, are well-chosen, with a judicious mixture of popular favourites and less-well-known songs; they usually consist basically of four or five groups of classical German *Lieder*, with perhaps one item in another language and style. Miss Streich is punctilious in avoiding songs that strain her present vocal capabilities, or that go beyond her emotional range.

Sunday's programme conformed exactly to this pattern: Schubert, Wolf, Strauss and Mendelssohn were joined by Mussorgsky, whose song cycle *The Nursery* was sung in Russian—Miss Streich is of partly Russian parentage. One or two of the Mussorgsky songs, particularly "In the Corner," lacked incisiveness, but the child's voice was well characterised and the little lullaby to the Doll sweetly sung. "Evening Prayer" always reminds me fatally of Christopher Robin in a similar situation, but "The Hobby Horse" had real spirit and humour.

In elegiac songs like Schubert's "Auf dem Wasser zu singen" or "An die untergehende Sonne" Miss Streich was in her element, and if she did not dig very deeply below the surface of Wolf's "Auf ein altes Bild" she painted the picture of the Virgin and Child in glowing colours. Wolf's setting of Mörike's "Im Frühling" was sung with sustained tone and appropriately rapt expression; best of all in this group was the early song "Wohin mit de Freud?", where the radiance of the lyric was matched by both singer and pianist, the ever-dependable Geoffrey Parsons.

Another song written in the composer's youth that brought out Miss Streich's best voice and warmest sympathy was Richard Strauss's "Allerseelen," with its sad but tranquil memories of love in springtime. "Ich wollt ein Sträusslein bindern," one of the Brentano settings that Strauss wrote for Elisabeth Schumann, was delicately sung, but could have carried stronger undertones of feeling. Mendelssohn's gentle apostrophe to the moon, "Der Mond," was followed by "Auf Flügeln des Gesanges"—On wings of song—in which Heine's poem and Mendelssohn's setting were treated with the love and respect that such masterpieces deserve. "Hexenlied," with its exuberant Witches' Sabbath, allowed Mr. Parsons to demonstrate his virtuosity. As a final encore we were given "Seligkeit," so the evening ended where it had begun, with Schubert.

Royal gala at Welsh theatre

The Queen and the Duke of Edinburgh will attend a royal gala at the Clwyd Theatre, Mold, on Friday, May 21. This is in aid of Welsh youth charities. The programme will consist of a concert by the BBC Welsh Symphony Orchestra and Emlyn Williams as Dylan Thomas.

Seats are £7.50 each and available from the Department of the Chief Executive, Clwyd County Council on receipt of written applications.

King's Lynn Festival

The 26th King's Lynn Festival, under the artistic direction of Christopher Hogwood, pays tribute to one of King's Lynn's distinguished citizens, Dr. Charles Burney. The programme will include works heard by Burney during his travels in Europe, or well known to him. They include Handel's *Acis and Galatea* and two Coronation anthems; two programmes in which Eduard Melkus will play all Bach's unaccompanied violin works; concerts of harpsichord music and major 18th-century orchestral works; and a programme of words and music in which Burney's travels will be described.

Other musical events include concerts by the Hallé Orchestra, the Gabrieli Quartet and Dmitri Alexeev, winner of the 1975 Leeds International Piano Competition. There will be a first performance of *Alleluia Timpanis* by David Bedford, commissioned by the Festival, to be played by the Leicestershire Schools Symphony Orchestra under the composer.

Arts news in brief

Robert Lang is to leave the Arts Theatre, Cambridge, where he has been artistic director for the past year, to devote more time to his acting career. He will probably leave after the festival production of *Pygmalion* in July. His successor will be announced later.

Roy Castle is going to take over from Michael Crawford the name part in *Billy* at Drury Lane on May 3. Michael Crawford has played it since it began two years ago. Other cast changes introduce Fanny Carby as Billy's mother, Deborah Fallender as Liz, Tony Aitken as Stamp and Freddie Lees as Shadrack.

Owing to the outstanding popularity of the Constable exhibition, with an average daily attendance of over 4,000, it has been decided to extend the exhibition until May 9. All the lenders have allowed their pictures to remain.

The main item in this year's Ludlow Festival will be a production of *Hamlet* in the open air at Ludlow Castle. Paul Jones will play Hamlet and Philip Grout will direct.

WORLD TRADE NEWS

High hopes in Spain for motor industry take-off

BY ROGER MATTHEWS

BARCELONA, April 26.

THE BARCELONA International Motor Show, claimed by its organisers to be the fourth most important in Europe, opened here at the week-end amid signs that the Spanish motor industry is beginning to pull out of the generalised decline that has affected all Western car producers during the past two years.

Although sales and production by the four manufacturers based in Spain were far less affected than in other countries, such as Britain, West Germany, France and Italy, there was widespread optimism amongst exhibitors at the week-long exhibition that Spain was again poised to fulfill the dynamic potential both as a market and a producer that had been forecast for it.

Ford Espana, which with its $600m. investment at Almusafes, near Valencia, is providing a stimulus both to the local car industry and to the economy in general, made its first appearance at the show as a domestic company. Its first "compact" car, the three-door Fiesta, is due to start rolling off the lines on October 18, one month ahead of schedule.

The Fiesta will make its first public appearance at the Paris Motor Show in October and initial output in Spain will be limited to one shift and approximately 500 units a day. Ford executives estimate that a second shift will be in operation by the end of 1977. Under the terms of Ford's agreement with the Government, two-thirds of its output has to be exported.

Ford has already taken on some 3,000 of the 9,000 employees it will eventually need, and has a 75-strong dealer network, an important proportion of whom were inherited from British Leyland when the U.K. company decided to close its wholly-owned Authi subsidiary last year, having failed to sell the company to General Motors.

Despite the absence of new models at this essentially functional and businesslike show, there was considerable interest in the Citroen CX, which is to go into production in Spain during the autumn. Citroen, the third ranking producer in Spain after Seat and Fasa Renault, expects the CX to do well in what is a strong if relatively poorly-served upper end of the market, and is also offering now the more powerful version of the popular GS.

Chrysler, which ranks above Citroen on domestic sales, has recently increased its share of the market to over 12 per cent. and is also emphasising its strength as a major heavy vehicle producer with a wide range of trucks on display. Seat, in which the State and Fiat have 35 per cent. shares, introduced its new 131 five-door estate, which it hopes will help to halt the decline in its share of the home market, which fell below 50 per cent. for the first time ever in 1975.

Opening the show, the Minister of Industry, Sr. Perez de Bricio, promised that urgent consideration was being given to a more flexible policy on pricing, a topic that is worrying all the domestic manufacturers. Several commented that although demand was picking up, profitability would be seriously endangered unless a price increase of at least 10 per cent. was permitted within the next couple of months.

Japan may subsidise shipyards

TOKYO, April 26.

THE JAPANESE Transport Ministry is studying the granting of official subsidies to Japanese shipbuilders to help them out of their present slump, Ministry officials said.

They said the Ministry is conducting an industry-wide survey, and preparing a report on the overall supply and demand situation, which is expected to be submitted to the Minister in May or June.

Among possible measures being considered are official guidelines on future production, and subsidies to help out firms with excess capacity, they said.

The officials declined to give more details, but local newspaper reports said specific moves under consideration include preferential taxation and subsidies to lighten interest burdens.

Industry sources said they believe the Ministry wants to close down an undetermined part of current capacity, but said the biggest problem is the unemployment this will inevitably cause. Reuter

S. Korean contracts loan deal

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

THE CITIBANK group has arranged an unusual $150m. (about £82m.) syndicated loan to enable South Korean construction companies to bid for contracts in the most important Middle Eastern countries. The loan, signed yesterday in Hong Kong, will be used by the South Koreans for posting bid and performance bonds in seeking Middle East contracts.

Because of its nature, there were three months of negotiations before the legal structure of the deal was settled. The problem was that the loan is not for a specific company, nor for use in a specific country, nor for a specific contract, nor even necessarily for a contract that has been awarded. However, once the legal structure was sorted out, the loan was heavily oversubscribed; originally, the target had been $100m. only.

Effectively, the banks are offering a syndicated letter of credit, for which 10 construction companies, including Hyundai and Daelim Construction, will be eligible to apply when bidding for contracts in Saudi Arabia, Bahrain, Qatar, the United Arab Emirates, Oman, Kuwait and Iran.

The application will have to be approved first by the Korean Exchange Bank, which is wholly owned by the South Korean Government. Then it will go for approval to the managing committee for the loan, which will be the same banks as the managing group of the syndicate.

Asia Pacific Capital Corporation, a Hong Kong joint venture between Citibank and Fuji Bank in which the Japanese have 30 per cent., has done most of the work for the loan, though the lead manager according to the contract is the Citicorp International group. Seven of the other managers are American banks and the other two are West German. The term of the facility is effectively four years, because the credit will be available for draw-down for a year and the construction contracts will have to be limited to three years. The spread over inter-bank rates is 1.5 per cent., but the yield to the lending banks will be lifted to nearer 2 per cent. with the addition of the other various "frills."

Experts expect the loan to be fully used before the year is up, and in this way South Korean earnings could be boosted by up to $1.5bn. Typically, 2 per cent. of the value of the contract has to be posted in bidding and 10 per cent. as performance bond.

Some of the Middle Eastern countries, notably Saudi Arabia, which offers one of the biggest makes for construction, have posed problems for the traditional methods of raising money for posting performance bonds. The Saudis for example demand that the performance bond should be absolutely clean and available on demand. Insurance companies prefer to negotiate first before paying over any of the performance bond.

South Korean construction companies already have a strong stake in the Middle East. Korean sources say that there are 10,000 Korean construction workers in the area. In 1975 South Korean companies won building contracts worldwide worth $829m., of which $768m. was in the Middle East and $494m. in Saudi Arabia alone. In the period to 1980 the country has set a $10bn. target for its construction companies. Some experts say that Middle Eastern contracts over the next five years may reach a value of $80bn.

Pakistan seeks $800m. aid

By Iqbal Mirza

KARACHI, April 26.

A THREE-MEMBER Pakistan delegation led by the special assistant to the Prime Minister for economic affairs, Shahid Hussain, has gone to Paris seeking "a substantial package" from the consortium of World Bank and rich nations which gives aid to Pakistan. The two-day meeting starts to-morrow.

Shahid Hussain said that Pakistan would ask for roughly the same amount it had asked for last year — around $800m. He thought it "a truly remarkable achievement" that during the current fiscal year inflation has been effectively checked and brought down from the average of 24 per cent. recorded in the last two years to 5 to 6 per cent.

He estimated that in the absence of grave untoward international factors, the domestic economy should register an impressive rate of growth of 8 to 9 per cent. during 1976/77. During the current financial year the rate of growth of GNP is officially estimated between 5 and 6 per cent., lower than originally estimated because of the low price of rice exports and attacks of pests on the cotton crop.

Egypt plans pound float

BY OUR OWN CORRESPONDENT

CAIRO, April 26.

EGYPT is planning a major overhaul of its currency system, including the establishment of a floating rate for the pound, the Minister of Economy, Mr. Mohamed Shafei said in an interview published in a Cairo newspaper yesterday.

The country will retain its official exchange rate, now 38 piasters to the dollar, for the import of essential consumer goods, Mr. Shafei said. The incentive or tourist rate of 64 piasters per dollar will be replaced by a managed floating rate to be set daily by the Central Bank of Egypt, Mr. Shafei said.

Banking sources said the new rate will probably float upwards from the current 64 piasters towards, but not as far as, the black market rate, currently about 74 piasters to the dollar.

The new rate was called by some an "effective devaluation" and by others a "rationalisation." The last "effective devaluation" took place only two months ago, when the incentive rate was raised from 59 to 64 piasters in an attempt to cut into the black market.

Yet to be decided is the crucial point of whether foreign investors will be allowed to bring their money into the country at the new floating rate or the official rate, according to the IMF.

Textile dispute hurts British-Czech trade

BY MARGARET HUGHES

BRNO, April 26.

PARTICIPATION is well down at this year's International Consumer Goods Fair at Brno in Czechoslovakia. This is almost entirely due to the drop in Western exhibitors, and is being mainly attributed to the recession in the West.

The cost of attendance, although far lower here than at West European trade fairs, has discouraged some companies. Others feel that the Czech market may be becoming more difficult to sell in.

Since its main exports to the West are in the engineering sector, Western industry's reluctance to invest in new capital equipment has inevitably affected Czechoslovakia's foreign currency earnings, and therefore its purchasing power. There is the general feeling that availability of foreign currency is becoming tight and so is likely to be directed towards more essential imports than consumer goods.

The Czech Government is, however, committed to improving availability and extending the range of consumer goods offered in the shops. They now account for 14 per cent. of the country's industrial output, 16 per cent. of national income, and almost 18 per cent. of exports.

Consumer imports last year, excluding foods, totalled Koruna3.93bn. (about £212m.) with about a third coming from Western suppliers. Western imports account for only some 3 to 5 per cent. of the market, and the Czechs are obviously keen to step up their own production. The current Five Year Plan provides for a 25 per cent. increase in Domestic production and a 5 to 6 per cent. annual increase in the market as a whole. The West is expected to maintain its share of this expanding market, subject inevitably to the availability of hard currency.

Attendance

Overall participation at this seventh Brno Consumer Fair is some 13 per cent. down on last year, with a 32 per cent. drop in Western participation—331 exhibitors compared with 487 a year ago. British attendance has been cut back more sharply still —by almost 60 per cent.—with only 11 exhibitors against 28 last year, although one of the stands represents several British companies.

Lack of support from the British Overseas Trade Board (BOTB) has been strongly criticised by those companies which are here. Last year the BOTB supported British companies at the fair for the first time, but decided against doing so this time. Those who are experienced in the market now feel that after pulling out after one attendance, the BOTB in retrospect did more harm than good in coming last year, since they consider that a continued presence is essential for getting into the market.

British exhibitors back this up by pointing to the very large West German showing here—there are 80 West German exhibitors—reflecting the fact that West Germany is by far the largest Western exporter to Czechoslovakia. Britain is the third largest.

The small British presence is all the more unfortunate in that the Czech Government has just announced its sixth Five Year Plan for 1976 to 1980. Foreign currency allocations have been made, so that the various State importing groups know exactly how much they have to spend and are now able to negotiate orders from the West.

Strained

In the consumer goods field Britain's main exports to this country are textiles. But in contrast to previous years there are no British textile companies at the fair. Relations are in any case rather strained due to British curbs on imports of men's suits from Czechoslovakia.

In December last year discussions were opened with the aim of reaching a voluntary agreement on imports into Britain of both men's suits and footwear from Czechoslovakia. The footwear issue was resolved when the Czechs indicated that they would be exporting 1.8m. pairs this year —the same level as in the previous three years—which was accepted by the British Government. But no agreement was reached on men's suits, with the result that about a month ago Britain imposed a quota of 85,000 pieces.

Since the Czechs claim that they had already obtained orders for 100,000 pieces for delivery this year and that, in any case, these imports account for less than 2 per cent. of Britain's textile imports, they feel that they have been "unfairly discriminated against."

During his Press conference at the fair, Mr. Andrej Barcak, the Minister of Foreign Trade, said that there were no plans to take counter measures at this stage. But he added that if the curbs persisted for a long time they would "obviously affect commercial relations," pointing out that purchases from the West are governed by how much his country sold to the West. Officials at his ministry put the case rather more strongly, leaving little doubt that prolonged curbs would affect purchases from Britain.

While the textile industry is not participating, Britain's cosmetics industry is well represented. One of the companies —Coty International—has been awarded one of the 36 gold medals given by the fair authorities for products of "the highest technical and aesthetic merit."

AMERICAN NEWS

World Bank bid to avert clash with U.S. Treasury

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, April 26.

THE WORLD BANK'S Board of Governors will meet to-morrow in the hope that a head-on collision between the Bank, headed by Mr. Robert McNamara, and the U.S. Treasury over the Bank's future lending requirements can be avoided.

The specific issue is a one-third increase in the Bank's capitalisation, which currently stands at $30.8bn. The proposal is that, just as the IMF's quotas were raised by one-third at the start of the year, the Bank's resources should be increased by a like amount. The two organisations normally advance in step on major matters of this nature. However, the gap that has now occurred has highlighted the very particular problems confronting the Bank.

Behind the scenes there has been profound disagreement between the Bank staff and the Treasury over the longer term capital needs of the organisation. The Treasury, under Mr. William it will reach its statutory lending Simon, holds little love for both Bank and Fund at present and has come close to threatening to hold the capitalisation increase hostage unless it receives Bank guarantees that a further major raising of capital will not be required in the next five to ten years.

The U.S. possesses close to a power of veto over the Board's decision off its own bat. Its voting power in the Board amounts to 22.6 per cent: a 75 per cent majority would be needed to authorise a capital increase.

There is doubt that the Bank can provide the guarantees the Treasury is seeking. The Bank's private studies calculate that in order to meet the requirements of the developing countries by the end of the 1980s, as much as an extra $30bn. will have to be raised, the $10bn. under discussion now would, therefore, only be a first step. Indeed, if the Bank does not get $10bn. now limitations in three years' time and would effectively go out of business.

The Treasury, for its part, apparently feels that the Bank must examine more closely its lending policies. It has questioned, for example, why the Bank does not raise interest rates to closer to commercial levels or whether as much of its available resources need to be channelled to IDA, the Bank's soft loan agency. It has wondered if the Bank needs to continue to lend as much as its current $5bn. a year and has focused critical attention on individual loan programmes. It is even suspected that the U.S. would prefer to see the Bank transformed into more of a profit centre operation.

The U.S. is also more fundamentally concerned at what it perceives as Mr. McNamara's determination to give the developing countries, particularly the oil producing nations, greater influence in the Bank's decision making processes. As with the IMF's quota increases, contributions to a capital increase at the Bank are designed to reflect changing shares in world trade.

Since the last capital increase, the OPEC share has risen to about 10 per cent. Originally, however, Mr. McNamara advocated raising OPEC's voting power in the Bank to 15 per cent., which would have meant a consequent reduction in the influence of the developed nations, especially the U.S. In the face of American opposition, this was dropped. But U.S. suspicions of Mr. McNamara's intentions were heightened by the episode.

According to some sources, this has been translated into a bitter personal feud between Mr. McNamara and Mr. Simon, with the supposition being that the U.S. Government would like Mr. McNamara out when his term as president of the Bank expires in April, 1978.

U.S. bank laws worry O'Brien

BY STEWART FLEMING

HOT SPRINGS, VIRGINIA, April 26.

EUROPEAN CONCERN about the current U.S. proposals for new regulations governing foreign banks already established in the country was expressed here to-day by Lord O'Brien, President of the British Bankers Association and former Governor of the Bank of England.

Speaking at the annual meeting of the Bankers Association for Foreign Trade, Lord O'Brien said that there was in Europe acute anxiety that any new legislation should preserve the existing activities of foreign banks in the U.S., even if it placed further restrictions on new foreign entrants into domestic U.S. banking.

The extent to which new banking legislation should restrict existing foreign banks in the same way that U.S. banks are limited in the extent to which, for example, they can open branches in different States is a source of great controversy. Many U.S. bankers have maintained that foreign banks have had a privileged position in the U.S. compared with domestic banks.

In Lord O'Brien's view the latest U.S. proposals in the International Banking Act 1976 are "less objectionable than some earlier proposals." They envisage, for example, continued across State line banking for foreign branches already established. But he claimed that the proposed requirement that securities affiliates of foreign banks should cease all operations (except underwriting) within ten years is unduly onerous.

He also charged that the proposed security bond or deposit which foreign banks would be required to put up breaches a fundamental international banking principle, namely that new national legislation should not be discriminatory against foreign banks. He pointed out that the costs to U.S. banks of Federal deposit insurance will be much less than the cost of the security bond to foreign banks because the bond is designed to protect bank creditors as well as bank depositors.

A warning that the private international banking system will not be able to continue to finance as fully the long-run borrowing requirements of the less developed countries was issued to-day by Mr. Paul Volcker, President of the Federal Reserve Bank of New York.

Speaking at the meeting, Mr. Volcker said he was anxious about the large balance of payments deficits of less developed countries and their need to finance them in a period of high oil prices, recession and inflation. While conceding that some decline in the countries' overall deficit can be expected with the economic recovery in the industrial world, he said that in absolute terms their borrowing requirements are very large and "certainly exceeding the capacity of private lenders to do the job."

He added that some of the less developed countries will continue to rely on concessional financing and that for this reason increased official financing outside the private sector is a pressing need. He conceded, however, that the international agencies were themselves pressed for finance and that therefore the less developed countries are "facing a squeeze overall." But he claimed the less developed countries are "a very long distance from default."

Brazil seeks $2bn. credit deal

BY HUGH O'SHAUGHNESSY

BRAZIL is seeking very large new credits for its hydroelectric and steelmaking projects from Western Europe. A $2bn. export credit deal for Brazil is being negotiated by the Banque de Suez, the Deutsche Bank and the Banca Nazionale del Lavoro, according to official sources in Brasilia. Banking sources in Paris have dismissed reports of agreement on this very large package as "wild and premature." The Deutsche Bank was unable to comment.

The deal would support the sale of equipment by Voight, Siemens (German), GIE (Italian) and Alsthom (French) for the Tucurui and Itaparica hydroelectric schemes.

The Tucurui scheme is to be built on a major tributary of the Amazon, south-west of Belem, during the first half of the 1980s, while the Itaparica scheme on the São Francisco river between the existing Paulo Affonso and Sobradinho dams seems to be scheduled for the late 1980s.

The credit, if agreed, would presumably be used against delivery of the equipment in the course of the next decade. Brazilian success in raising this amount of money would go some way to bolster confidence in Brazil's financial future, though the money would not be available to help with current problems.

Meanwhile Buckingham Palace yesterday announced that General Geisel will have "comprehensive" talks with British bankers and industrialists during his visit here next week. These will be held in Buckingham Palace itself.

Among the principal items on the agenda for the talks will be the Acominas scheme, the project to build an integrated steelworks near Belo Horizonte, the capital of the State of Minas Gerais. Davy United is expected to receive a very substantial order for equipment but W. Germany and Japan are also expected to be plant suppliers to the scheme. Morgan Grenfell is closely associated with the financing of the scheme which is likely to cost many hundreds of millions of dollars.

General Geisel's talks are also expected to touch on British help in the financing of the Itaipu hydroelectric scheme being built jointly by Brazil and Paraguay on the Parana river. The scheme, to produce 12,600 MW of power, is at current prices planned to $6.5bn.

Geisel in Paris, Page 6

DAVID BELL IN PHILADELPHIA SETS THE SCENE FOR TO-DAY'S CRUC[IAL] PENNSYLVANIA CONTEST

The 'quicksilver' primary

TO-MORROW'S Pennsylvania primary, which pits the three leading Democratic Presidential candidates against each other in the kind of state that each ought to win if he is to have a chance in November, is critical for all of them—but particularly for Mr. Jimmy Carter.

The former Georgia Governor needs a victory in Pennsylvania to show that he can win a large northern industrial state, and to consolidate his shaky position as front-runner. A victory here would severely damage Senator Henry Jackson's lumbering campaign as this is precisely the kind of state that he has claimed as his own and can ill-afford to lose. This may also be Representative Morris Udall's last chance. His faltering, ill-organised challenge is fast running out of money and needs "the smell of success."

Yet all three candidates have discovered in the past two weeks that Pennsylvania is an immensely difficult state in which to campaign. Dominated by Philadelphia and Pittsburgh—400 miles apart and traditional rivals— the state also has a large rural population and is dotted with small towns.

It is prosperous, but has more than its share of ageing industries, and two years of high unemployment have made the need for more jobs the overriding issue. Many of its people still retain fierce ethnic loyalties and the larger cities now also have sizeable black populations.

Pittsburgh's reforming mayor has endorsed Mr. Carter, but Mayor Rizzo of Philadelphia, who presides over a formidable Democratic machine and has weathered a variety of charges of malpractice and corruption, is backing Jackson. The Senator has made much of the need for more jobs and the powerful State branch of the AFL-CIO, the rough equivalent of the TUC, says it has been campaigning hard for him, even though it has not concealed its real preference for Senator Hubert Humphrey, the celebrated non-candidate.

Jimmy Carter has taken care to picture himself as David battling valiantly against the political Goliath of Jackson. He has eschewed Mayor Rizzo, describing his support as "the kind my campaign would not accept, even if it were offered." And, while Jackson has concentrated on wooing local labour and political leaders, Governor Carter has taken his superbly organised campaign into the streets, criss-crossing the State remorselessly.

Much depends on whether Mr. Carter's brand of "new politics" can overwhelm Senator Jackson's "old politics," and few observers would care to speculate on that.

Organised labour does not appear to have the hold that it once had, but it knows how to get the vote out and the roots of its organisation go much deeper in the State than Mr. Carter's could hope to go.

The race is further complicated by the fact that it is really two contests. The first is a simple presidential preference vote, which Carter hopes to win; but the second is for the 178 delegates that the State will send to the party's national convention.

The U.S. Presidential Election

Here Senator Jackson, who has merged his delegates with those of the AFL-CIO, says he has the edge.

Meanwhile, neither Messrs. Jackson nor Carter knows quite what to make of the Udall campaign. Mr. Udall appears to have had some success in siphoning off some of the black support that Mr. Carter has been courting. He will also no doubt pick up a good deal of liberal support, but he is largely unknown across the State and has had little money to spend on advertising.

To muddy the waters still further, there is the looming presence of Sen. Hubert Humphrey, who won here in 1972. He is still the undisguised favourite of many of the State's Democrats, and some may decide not to vote at all in the presidential preference contest and to vote for "uncommitted" delegates to the convention, who

Offshor[e] bids in Alaska accepte[d]

Senate report on intelligence

Canada oil pri[ce]

Rubber worker[s]

Uranium strike

Newfoundland

No arms for C[hina]

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Top resignations clear way for Japanese N-contract

BY PETER DUMINY

TOKYO, April 26.

THE £500m.-PLUS Japanese contract for reprocessing spent nuclear fuel has come a step nearer, with the resignation of the two top Japanese officials involved in negotiations.

Both Dr. Ippommatsu, chairman, and Mr. T. Ohgo, vice-chairman of ERG, the Enrichment and Reprocessing Group, which had been talking on behalf of the Japanese electric power industry, have resigned, and a new negotiating committee has been appointed.

The resignations appear to represent the end of a power struggle which had virtually immobilised the Japanese—at least since they received notice last February that they would henceforth be dealing with an Anglo-French consortium instead of British Nuclear Fuels alone, as until then in these protracted negotiations.

The Japanese have made no official comment yet on the decision by the Compagnie Générales de Matières Nucléaires (Cogema)—the French equivalent of British Nuclear Fuels—to exercise its option to share the contract which British Nuclear Fuels had been negotiating alone, to reprocess 4,000 tons of spent fuel on a cost-plus basis between 1979-89.

However, a joint Anglo-French delegation came to Tokyo at the beginning of the month and explained to ERG and other representatives of the electricity utilities and also to the Government, that Cogema had exercised its right as a partner in the tripartite company United Reprocessors to take a pro rata share of the business (meaning half in this case, since the German member of United Reprocessors continues not to be interested).

The Japanese were given to understand that British Nuclear Fuels and Cogema would each build new plants (at Windscale and Cap le Hague respectively) designed to handle about 6,000 tons over the 10-year period. Each wants 2,000 tons of Japanese nuclear fuel towards its order book and the cost to Japan is expected to be about the same as under the draft, but as yet unsigned, Anglo-Japanese agreement.

The Japanese appeared to accept the position, but did not commit themselves. This was partly because of the internal tussle going on in the Japanese industry.

Industry chiefs in general felt that ERG had over-reached itself. They have now had their way, by stripping ERG of the negotiating function. The new negotiators are mostly vice-presidents of the utilities and will be led by Mr. Naojiro Tanaka of Tokyo Electric Power.

By agreement between the British and French, there will be a single negotiating team on the other side, led by a representative of British nuclear fuels. And it now seems possible that an agreement may be signed in a matter of a few months.

Silence on S. African wages

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE BRITISH Government's current reliance on voluntary disclosure of wage levels paid to Africans by British companies operating in South Africa is not working, according to a report published to-day.

The report, published by the inter-denominational Christian Concern for South Africa (CCSA) attempts to follow up *British companies' performance* in improving wages and other conditions for African employees, in the light of the official government "guidelines" published in December last year.

CCSA finds that "there are still substantial numbers of Black employees below the most basic poverty standard (PDL) and nearly half of them are below the Government's target minimum wage level." It says that since its own survey was weighted in favour of the higher paying sectors of the economy "it seems that these results may considerably understate the true position."

However, the report admits that its own survey was small, and its value undermined by the lack of response from many companies. The 141 companies which originally gave evidence to the Parliamentary Select Committee in 1974 had been reduced by 24, following the Government's exemption for companies with minority shareholdings.

But of the remaining companies, 18 failed to make a formal reply of any kind, while the great majority (88), between them employing more than two-thirds of all Black employees of British companies, "were unable, or, in a few cases, unwilling to supply information on the lines requested by the Secretary of State." Only 26 companies provided the information requested.

Only 26 companies provided the information requested, including Associated British Foods, Metal Box, GEC and Unilever. "While some major employers such as Consolidated Goldfields and British Steel could technically shelter behind their *minority shareholdings*, this was not the case for other large employers such as Barclays, Delta Metal, Cape Industries, Lonrho, Pilkington's and Shell-BP."

CCSA concludes that without adequate information the case for "constructive engagement" of British companies in South Africa is weakened. It suggests that measures to improve overall conditions for Black workers might include sanctions (for example, non-participation in government contracts) of companies which fail to meet certain standards. It also suggests that disclosure of wages levels and the like should be made a statutory duty on companies operating in the Republic.

No change in Thai policy

BY RICHARD NATIONS

BANGKOK, April 26.

IN HIS FIRST major policy statement Thai Foreign Minister Pichai Rattakul said the new Seni Pramoj Administration would "continue to follow the policy" of outgoing Prime Minister Kukrit to remove all the American advisers ordered to leave the country in four months after negotiations between the Thais and Americans broke down last March.

However, the new Foreign Minister emphasised that "the U.S. has been our ally for *centuries. It is our intention to* uphold this good relationship." Mr. Pichai's mild qualification that his statement to continue past policy was only "speaking in principle" left the door open for later reconsideration of the whole U.S. troops issue.

Beirut's new envoy to Damascus

The Speaker of Lebanon's Parliament, Mr. Kamel al-Asaad, yesterday set off for Damascus for talks with Syrian leaders on the election of a replacement for President Suleiman Franjieh, Reuter reports.

Shortly before it was announced that Mr. Asaad was going to Damascus, a series of planned parliamentary meetings was called off here because of fighting between Lebanon's left and right wing factions.

His terms were *apparently* aimed at securing a Syrian pledge to help enforce peaceful conditions for the presidential election. No election date has been set.

Saigon:

Over 90% voters

More than 90 per cent. of voters turned *out* in Vietnam's *first* general elections for 30 years and in some areas a 100 per cent. poll was reported, according to Saigon radio, Reuter reports.

Voting in North and South Vietnam on Sunday was for a 492-seat National Assembly which will draw up a new constitution reuniting the country under one government and parliament. There will be no opposition members in the assembly. Results will not be known before next weekend.

Vientiane:

Mass jail break

Six guards were killed in an armed jail break by more than 500 political and other prisoners at Samkhae in the Laos province of *Vientiane* yesterday, local inhabitants said, Reuter reports.

The jail-breakers were reported to be followers of Bong Souvanwayong, a former well-known Vientiane politician and publisher. He was believed to have been among the escapees. Bong, 72, was arrested last September by the Laotian authorities. They alleged he had co-operated with the American Central Intelligence Agency.

Tokyo:

U.S. 'ambassador'

Prime Minister Takeo Miki said yesterday his Cabinet would pick a special envoy on Friday to dispatch to the United States concerning the Lockheed payoff scandal, UPI reports. The envoy would be selected from among foreign ministry officials.

Dacca:

Taka—£ revalued

The Bank of Bangladesh said it revalued the taka against sterling to a new middle rate of 28.10 from 30 previously, effective yesterday, Reuter reports.

U.S. 'NOTES CONSTRUCTIVE SYRIAN ROLE IN LEBANON'

Syria the Samaritan

BY ROBERT GRAHAM

DAMASCUS, April 26.

THE WHITE HOUSE has given Syria a pat on the back, complimenting it on the "constructive" role it is playing in Lebanon. Such an accolade has never come from the U.S. Administration for Syrian policy. More significant, the White House appeared to have extinguished the red light against full Syrian intervention in Lebanon. It is ironic that this constraint—a key factor along with the attitude of *Israel*—should have been removed at the precise moment when Syria seemed to be backing away from the idea of full intervention.

It is an academic question now, but it is interesting to speculate what the Syrians would have done in January if both the U.S. Administration and the Israeli Government had then *shown more understanding of* their role. The negative reaction from the U.S. and the bellicose statements from the Israelis, against any intervention were a real constraint upon Damascus, which in turn limited the Syrian intervention and prevented it from being truly decisive.

Now both the U.S. and Israel seem to have realised that Syrian tutelage of Lebanon is preferable to an unstable and potentially radical State. For the logic of a *pax Syriana* in Lebanon is that the Syrians will seek to control the activities of the Palestinians (as has already been the case). It is also to Israel's advantage—and to that of the U.S. during an election year—that Syria should be bogged down by solving the Lebanese conflict. The Israeli Premier, Mr. Yitzhak Rabin, is now talking in terms of measuring the size and intent of Syrian intervention in Lebanon against *any possible threat to Israeli* security. Of course Washington is not going to approve in public of Syrian intervention on a large scale. It has merely removed some obstacles.

Caution

But if these external constraints have been removed, and the security situation in Lebanon still remains uncontrolled, what are the considerations that have led the Syrians to hold back? They already have gone as far as they can without actual full intervention. On April 14 and 15 Syria moved a brigade from Homs close to the border near Tripoli, pushing some units across. As much as a *division was moved from round* Kiswe near Damascus to occupy positions near the Lebanese border at Masna, again just inside Lebanon. Other units came near the border in the northern Bekaa. In all, perhaps 150 tanks went just inside Lebanon, and most are still there. In addition the Syrian-controlled PLO regular units in Lebanon have been given heavier equipment, while the Damascus-sponsored Saiqa guerilla group and Syrian officers control strategic areas in Lebanon—Beirut airport, air strips, the Tripoli refinery and potential coastal landing areas—backed by naval surveillance, especially in the north.

The determining factor against pushing these forces deep into Lebanon was a meeting with the leaders of the Palestinians in Damascus on April 16 which went on until 4 a.m. The Palestinians argued against military intervention by pointing out the risks of a conflict which would alienate the Syrians from all parties. They said that a military solution would not advance a settlement. The Syrians did not really need to be convinced of the dangers of intervention since all along they had been very cautious; for them the question was how an effective ceasefire could be enforced.

An element favouring the Syrians has been the erosion of the position of Mr. Kamal Jumblatt, leader of the alliance of the Left. He no longer enjoys the power he had at the end of March and in early April when he was riding the crest of the wave. He has been affected by the Syrian arms embargo (which incidentally has been applied to the PLO as well). Just as important, his estrangement from Syria has weakened his own political position because the Palestinians, with the exception of the intransigent Rejection Front have realised that their survival in Lebanon depends upon not alienating Syria.

His hope of being able to drum up support among the Left wing of the Baath in Damascus also appears to have failed. It is no *secret in Damascus that there* have been arrests, mainly of supporters of the former strongman Salah Jadid, but President Assad is operating with the full support of the Baath leadership. Thus Mr. Jumblatt is unlikely to be able to press demands unacceptable to the hardline Maronite Christians.

Added to this the Syrians seem *to have become convinced that* despite President Franjieh's play*ing for time* and the continued breaches of the ceasefire, the political process of Mr. Franjieh's resignation and the election of his successor can and will go ahead. Thus Syria obtained agreement on a reactivation of the tripartite supreme committee, composed of Syrians, Lebanese and Palestinians, to police the ceasefire. It was understood at this meeting that Syria should withdraw those of its forces which had entered Lebanon, that Syria would not raise objection to any presidential candidate approved by the majority of the Lebanese parliament, and that reforms should only be discussed after the election of a new President.

Forces

This compromise does not mean that Syria has lessened its grip on Lebanon or reduced its resolve to settle the terrible conflict there. Rather is Syria now waiting to see what happens in the Presidential elections. Its preferred candidate is still Mr. Ellias Sarkins. Damascus knows that it may yet have to play a military role to assist the "return to normality" and the implementation of reforms. Law and order will be vital in the post-election period.

In private the Syrians are understood to have proposed that a force of no fewer than 20,000 *Syrian troops be introduced into* Lebanon upon the invitation of all the parties to the conflict, for initially up to three months. During that period they would be responsible for keeping law and order and helping to reconstruct a national army and security force. The Syrians have rejected the Egyptian and Saudi idea of a joint Arab force for *this function. So, too, have they* rejected U.S. kite flying for a four- or five-nation international force to include contingents from such countries as Norway and Pakistan. As a second best they would go along with a more powerful version of the revived supreme tripartite committee now responsible for the ceasefire. This was foreseen in the meeting with the PLO. This kind of thinking again underlines President Assad's caution, suggesting that Syria will continue to react to events rather than to initiate.

This is not a tidy scenario, or a particularly optimistic one. But the mistake frequently made throughout the Lebanese crisis has been to assume that there can or will be a clear-cut solution. The balance of force has always been such as to inhibit any decisive initiative. That was the case with Mr. Jumblatt's drive for supremacy in March. It seems to be the case now with the possibility of Syrian intervention. All this militates in the short term, against a clear cut solution in the Lebanon, even if the dangers of *an internationalisation of the* conflict have subsided.

EUROPEAN NEWS

Moro emergency package will be unveiled to-day

BY DOMINICK J. COYLE — ROME, April 26.

THE ITALIAN GOVERNMENT'S emergency economic package, which formed the basis of the Christian Democrats' unsuccessful attempt to reach all-party agreement on a legislative programme as an alternative to premature elections, is expected to be unveiled in Parliament to-morrow by Prime Minister Aldo Moro in a crucial confidence debate.

The Communists and the Socialists, who have already rejected the economic package because of the Government's refusal to enter a formal all-party "political accord" for the remaining year of the present parliament, were meeting separately here to-night to determine finally their attitude to the confidence motion.

Both these main parties have indicated that they will not maintain the present minority government in office, and this leaves Premier Moro at the mercy of the smaller parties—Social Democrats, Republicans and Liberals—whose numerical strength would just about be sufficient to see the Government through. This, however, assumes no abstentions (or simply the non-appearance for the key vote later this week) by anti-Moro elements on the right wing of the Christian Democrats.

The Socialists, Italy's third largest party, have come out openly in favour of early elections, but they remain anxious to avoid being trapped into a situation in which they are seen through their contrary votes to be responsible for the actual collapse of a Government, whose formation just over two months ago was facilitated by socialist abstentions in parliament.

Accordingly a Socialist spokesman said to-day that the Party would not withdraw its support from the Moro Government until there was parliamentary approval of recently announced fiscal measures and the allocation of additional investment funds for the depressed southern region. Thereafter, he added, the PSI would withdraw its backing.

In the present political vacuum here, this is precisely the kind of jockeying for the most advantageous electoral position in which all the parties are engaged, and with a few notable exceptions (particularly the Republicans) party professions of concern over the current economic crisis are much more cosmetic than real. Election strategy has now taken over as the dominant consideration.

Reuter adds: Italy's Socialist Party to-night made clear it would vote against the Government at the end of a confidence debate in Parliament this week. The Socialist Party issued a formal statement saying: "If (the Party) is faced with a vote in Parliament it will be unable to avoid acting consistently with the political judgments which have so far inspired its actions."

One of the executive members of the Party, Signor Enrico Manca, said: "If the Government calls for a vote of confidence it is clear that as a result of our stand we cannot do other than vote against."

EEC offers aid to Italy

LUXEMBOURG, April 26.

THE COMMON Market to-day gave two-pronged backing to Italy's fight to defend its beleaguered currency.

At separate meetings here, Community Finance Ministers offered another $1.2bn. in short-term financial support and EEC central bankers agreed measures to curb the illegal export of banknotes from Italy.

Speaking to reporters after the Ministers' session, Italian Treasury Minister Emilio Colombo said his Government had not yet formally asked for any of the short term aid, but EEC officials said it was ready for Italy to draw on if necessary. Britain, whose own sterling currency is under strong downward pressure, will not be putting up money for the stand-by credit package.

The EEC plan, to be operational in the next day or two, will ban the transfer into other members' currencies of large denomination notes of L50,000 and L100,000. The illegal smuggling of banknotes from Italy because of the uncertain economic and political situation there has been a factor in the Lira's recent decline.
Reuter

Gromyko in Paris for 3-day visit

BY ROBERT MAUTHNER — PARIS, April 26.

THE three-day official visit of Mr. Andrei Gromyko, the Soviet Foreign Minister, to France — which starts to-morrow—will be devoted mainly to patching up relations between the two countries, after a distinctly cool period lasting some six months.

Mr. Gromyko's talks with M. Jean Sauvagnargues, his opposite number, will mark the first top-level contact between the two governments since President Giscard d'Estaing's less than successful visit to the Soviet Union last October.

On that occasion Mr. Leonid Brezhnev, the Soviet leader, postponed talks with his guest following apparent disagreements between them over the interpretation of certain clauses of last year's European Security Conference agreement.

While M. Giscard called for a halt to the ideological struggle between East and West, Mr. Brezhnev stressed that the battle of ideas should continue.

Since then the Soviet Press and commentators have often criticised France and have accused its President of wanting to take the country back into Nato's integrated military command. No important trade or economic cooperation agreements have been signed for the two countries for nearly a year.

The Soviet position, however, remains ambiguous and there have been some indications recently that Moscow would like to restore the traditionally friendly relations with France.

The most striking gesture in this direction was made by Mr. Brezhnev himself. In his report to last February's Soviet Communist Party Congress, he underlined the "high esteem" in which his Government held relations with France. The Soviet Union was ready, he said, to extend the sphere of co-operation between the two countries even further.

What this means in practice is not yet clear. But reports from Moscow suggest that the Kremlin would like to mark the tenth anniversary of the late General de Gaulle's historic visit to Russia in 1966 with a special declaration or agreement setting out the areas of co-operation between the two countries.

In addition, the two Foreign Ministers will probably make preparations for a possible visit of Mr. Brezhnev to France. Under the Franco-Soviet consultation agreement, it is Mr. Brezhnev's turn to do the visiting. But though he has accepted in principle, it is not clear whether his health or his programme of work will allow him to do so.

Geisel visit criticised by Left

BY RUPERT CORNWELL — PARIS, April 26.

PRESIDENT ERNESTO GEISEL of Brazil arrived here this afternoon for a three-day official visit, aimed not only at broadening economic co-operation with France but improving the standing of his much-criticised regime.

The trip is the first ever outside Latin America by General Geisel and he is being given red-carpet treatment by the French Government.

He will stay at the Trianon Palace, in the grounds of Versailles, and have two separate rounds of talks with M. Giscard d'Estaing, as well as a crowded official schedule.

The purpose of the stay is twofold: first to secure much-needed French financial and technological backing for the development programme intended to make Brazil a major world power, and secondly to brighten up the international image of a regime widely branded as authoritarian and repressive.

The Left here has bitterly attacked his invitation to Paris. The Communist paper L'Humanité assailed the French Government for playing host to "the representative of this bloody dictatorship." Amnesty International has urged M. Giscard d'Estaing to stress to his guest that the regime's treatment of political prisoners was a violation of human rights.

The French authorities are unlikely to allow this opposition to interfere with discussions from which they stand to gain much. Although Brazil's wobbly financial position—its total debts are put at $22bn. — is causing concern here, French companies are in line to win a number of big contracts.

President Geisel himself seems oblivious to the outcry. In a TV interview coinciding with his visit, he claimed that Brazil enjoyed freedom, "perhaps too much of it." Restrictions were only aimed at stamping out subversion and terrorism, he said.

EUROPEAN NEWS

[M]arshal Grechko's death [f]resh loss to Red Army

[...]SATTER

[MARSHAL A]NDREI GRECHKO, [the pres]ent Soviet Defence [Minister and] the architect of one [o]f ambitious pro[gramme of] military expansion [in Soviet hi]story, died yester[day at the a]ge of 72, Tass, the [Sovie]t news agency, [...]

[...]to informed Soviet [...] [Grech]ko collapsed at his [...] was preparing to [...]rs at the funeral [of a]nother top military [...] [Warsa]w Pact Chief of [Staff, General] Sergei Shtemenko. [S]oviet sources said [...], who was the [com]mander of 3.5m. [...]he largest military [in the wo]rld, died of a heart [attack. He wa]s last seen in public [...] Moscow at talks [...]ry delegation from [...]

[Under Grec]hko's direction, the [...] spent hundreds of [millions of rou]bles on a sophisti[cated nucle]age arsenal which [inclu]de intercontinental [...] multiple warheads, [...]rines and a grow[ing capa]ble of making its [...] in every one of [the oc]eans.

[He wa]s also the man who [...]l in August, 1968 [...]w Pact invasion of [...] after that country [...] forms aimed at [...]alism with a human [...] he suppressed the [...] in East Berlin as [...] Soviet troops in [...]

[...], promoted in April 1973 to membership in the Politburo of the Soviet Communist party and was re-elected to Politburo membership at the Party Congress earlier this year. He had been Defence Minister since 1967, when he took over *following the death of the former minister*, Rodion Malinovsky.

His death and the death on Friday of General Schtemenko, are expected to lead to a major reshuffling of the Soviet bloc's military leadership. Grechko would normally have been succeeded by Schtemenko. The death of both men means that the new Defence Minister will probably be either Marshal Ivan Yakubovsky, 64, at present the Warsaw Pact's Commander-in-Chief, or General Sergei Kulikov, 54, the Chief of Staff of the Soviet Armed Forces.

Grechko's work as Defence Minister consisted to a great extent of building the Soviet Union into a formidable nuclear power. Yet he described nuclear war as unthinkable and in 1971, when Strategic Arms Limitation Talks were underway in Helsinki, said, "The decision about using nuclear weapons could only be made by an idiot or a man who has lost his mind."

His progress facilitated by the Stalinist purges which decimated the Soviet officer corps before World War II, Grechko became a regimental commander in the Russo-Finnish War of 1939.

Grechko was a divisional commander when the Germans attacked the Soviet Union in 1941. During the war Grechko made two friendships which later proved invaluable—these were with the then Lt.-Gen. Nikita S. Khrushchev and Col. Leonid I. Brezhnev, both Party political officers in the Army.

In recent years, Grechko was closely associated with Party General Secretary Brezhnev. His death was the first for a member of the ageing Politburo, the Soviet Union's effective government, since Otto Kuusinen died in Office in 1964. Tass made no mention of funeral arrangements but it was assumed that Grechko, who was twice named a Hero of the Soviet Union, would get an overwhelming hero's farewell.

Marshal Andrei Grechko . . . army of 3.5m.

[...] experts [...] fresh [pri]ce rise

[VI]ENNA, April 26.

[...]RTING countries [...]ations here to-day [...]nce at which they [decide w]hether to raise the [...]

[...]m the 13 members [of the Organi]sation of Petroleum [Exporting C]ountries (OPEC) [...]re economic guide[...] conference of oil [...] Bali, Indonesia, on [...]

[...] Hamid Zaheri said [...] who make up [...]nomic Commission, [...]r all developments [...] oil market [...]

May Day protest urged by Communists in Spain

MADRID, April 26.

POLICE to-day arrested four left-wing labour leaders in the northern Basque country as Spain entered one of its most crucial weeks since the death *of General Franco.*

While the Government prepared to announce its reform programme, police sought to forestall trouble on May Day.

They detained in Bilbao workers' leaders from Madrid and the three Basque provinces of Guipuzcoa, Vizcaya and Navarre.

The arrests follow the week-end *detention of 54 alleged* Marxists in the southern city of Granada. Police said they had been meeting to plan disturbances during the festivities on Saturday.

A Communist Party document circulating in factories here called for a general strike and massive demonstrations this week-end.

"Only a continuation of the labour and political offensive of the working class and the people can topple fascism and overthrow the monarchy of King Juan Carlos," it said.

The document said it was possible and necessary to make the coming "offensive" bigger than previous ones.

Breaking an 18-year-old tradition, the Government has cancelled a May Day pageant of folk dancing and gymnastics which used to be presided over by General Franco at Madrid's main football stadium. Instead it has scheduled smaller shows in 524 Spanish towns.

Informed sources said reform of the official trade unions, with group workers and their bosses, was one of the difficult issues still to be resolved by Prime Minister Carlos Arias Navarro. *He is due to speak to the nation* on Wednesday on the Government's plans for introducing a Western European-style democracy to Spain.

Reuter

Restraint on wages agreed in Norway

In an effort to combat inflation, Norway has presented a co-ordination of wage agreements, prices and taxes.

While the major trade *unions* negotiated with the employers organisation on a collective basis, as in previous years, they agreed this spring to show restraint in their wage demands if in return they could be assured of limited increases in living costs combined with some tax relief and shorter working hours.

Belgrade defence

Yugoslavia conducted over the weekend the biggest civil and self-defence exercises against invasion and natural disasters since after World War II, dubbing them a "no-surprises" operation, news reports said yesterday, according to UPI in Belgrade.

Pasolini verdict

A seventeen-year-old youth was sentenced *to more than nine* years' imprisonment here to-day for the murder of film director, Pier Paolo Pasolini, but the juvenile court said he did not act alone, reports Reuter from Rome. The verdict of "*murder in complicity* with persons unknown" was likely to renew speculation that Pasolini was murdered for political reasons, observers said.

Rubber strike

Representatives of rubber workers in the free world began two days of talks yesterday on international action in support of the rubber industry strike in the U.S., reports UPI from Geneva.

The Secretary of the International Federation of Chemical and General Workers Union said the *strike* against the "Big Four" U.S. rubber companies was called because American workers do not receive working conditions comparable to those in other countries where the companies *maintain factories*.

Algeria-EEC

A Common Market delegation headed by Luxembourg Premier Gaston Thorn arrived in Algiers for the signing yesterday of an EEC co-operation agreement with Algeria reports Reuter. A similar agreement was signed with Tunisia earlier and the delegation is to go on to Morocco to sign a third such pact to-day.

NEW GENEVA PROTOCOLS SOUGHT FOR MODERN MODES OF CONFLICT

When Conventions are unobserved

BY DAVID EGLI

GENEVA, April 22.

THE SWISS ARMY, it is sometimes wickedly asserted, is superbly trained to fight a re-run *of World War II. But failure of* the Swiss military system, like many others around the world, to adapt to rapidly changing technology and tactics can fortunately only be estimated. The changing circumstances of conflict are felt much more immediately by the all-Swiss International Committee of the Red Cross (ICRC) which has had representatives on nearly every battlefield in the last 25 years.

Time and again these Red Cross delegates have been hampered in their efforts to alleviate suffering by the outmoded Rule Book on which they have ostensibly to base their activities. In fact, perhaps up to 80 per cent. of ICRC work now lies outside the scope of the Geneva Conventions. Its task of *ensuring that these* and the earlier, even more general "rules of war" are respected by belligerents has become increasingly difficult.

Bombing targets

How does one stop indiscriminate strikes with appallingly efficient "conventional" weapons, when the Rule Book states merely: "It is forbidden to employ arms, projectiles or material calculated to cause unnecessary suffering"? How does one curb the military tactician in his choice of bombing targets when international law allows only that: "The attack of bombardment, by whatever means, of towns, villages or buildings which are undefended, *is prohibited.*" How is the application of such "total war" concepts as the destruction of crops, livestock, drinking water and irrigation systems avoided when it is stated only that the right *of belligerents to adopt means* of injuring the enemy is "not unlimited"?

How does one limit the "legitimate" response of states to guerillas, national liberation and resistance forces—the killing of hostages and the massacres of whole towns and villages—when such internal conflicts are not even touched on by the humanitarian code?

By no means all of these weighty issues will be resolved in the present efforts to complete and improve existing conventions. More than most other *organisations, the International* Red Cross has to work within the limits of what appear to be politically possible areas of agreement. And the willingness of Governments to embark on codification is marked by their immediate experience.

Thus, the 1949 Geneva Conventions dwelt in some detail on the treatment of the sick and the *shipwrecked, or prisoners of war,* and with the protection of the civilian population and were based largely on the experience of World War Two. The earlier Hague Conventions and the 1925 Geneva *Protocol looked after* other aspects of the "art of war" and, as the International Commission of Jurists comments, "it is hardly an exaggeration to say that they are still at the stage of outlawing dum-dum bullets and the dropping of explosives from balloons."

The need for change has long been recognised and efforts to bring about such a change were formally launched within the Red Cross movement more than 10 years ago. Two preliminary conferences of Government experts were followed up in 1974 by the convening of a Diplomatic Conference to negotiate two new draft protocols drawn up by the International Red Cross.

This Diplomatic Conference is now in its third session, attended by plenipotentiary delegates from 126 countries, together with representatives of 14 national liberation movements, plus another 35 organisations concerned with this sort of work. The five-week first session was almost entirely taken up with squabbling over the question of how national liberation movements might be allowed to participate. The next session, a year later, produced a consensus on about half of the 140 proposed new articles—inevitably concentrating on the less controversial ones. That leaves a little more than seven weeks—between now and June 11—in which to settle the outstanding issues, and despite the elaborate preliminary work, this is a tall order.

In essence, the Conference now has to tackle the issue of the search for missing and dead persons, repression of breaches of the Conventions and, in particular, the delicate problem of Commissions of Inquiry, the question of reprisals in the case of *non-*international armed conflict, and the extension of prisoner of war status to certain new categories of combatants.

In the background there lies *the problem of how international* law can be applied to non-international armed conflicts, how some degree of protection can be provided to national liberation movements fighting against colonial domination or racist regimes, and what status if any to give to the guerilla fighter. And there can be no doubt that, in drafting at least some progress has been made in bridging apparently irreconcilable views.

Geneva's long-running Diplomatic Conference on humanitarian law which seeks to bring up-to-date the 1949 Red Cross Conventions, is in session for the third and maybe the last time. Significantly an attempt is being made to bring non-international armed conflicts within the bounds of international warfare.

On paper it has been agreed that Protocol Two will apply to all armed conflicts in the territory of a high contracting party "between its armed forces and dissident armed forces or other organised armed groups which, under responsible command, exercise such control over a part of its territory as to enable them to carry out sustained and concerted military operations." On the other hand the Protocol will not apply to internal disturbances and tensions, "such as riots, isolated and sporadic acts of violence and other acts of a similar nature, as not being armed conflicts."

On the individual level, the *Protocol is being hopefully* designed to provide some protection to persons affected by such armed conflicts, and persons whose liberty has been restricted for reasons related to the armed conflict. Such protection would be continued even after the end of the conflict and until they are released.

The proposal to extend *prisoner-of-war* status to members of "organised resistance movements" was, last time round, the subject of 15 amendments, with more than forty speakers taking part in the *general discussion.* It has still to be resolved, as is the question of whether or not to outlaw reprisals. But there has been significant progress in other areas: important new rules governing the means and methods of combat—still very general but an improvement on existing legislation—a tightening of the 1949 Conventions on treatment of the sick and wounded, on prisoner-of-war status and protection of the civilian population. A separate effort is also devoted to the prohibition or limitations of certain weapons including those with delayed action, blast and fragmentation characteristics.

The real test of how far *governments are prepared to go* along these lines will only come when the final and complete drafts of the protocols have been drawn up and are submitted to a plenary meeting. Many *countries are holding back until* they can evaluate the full texts.

The different approaches tend to cross traditional political lines. The western camp is divided between the out-and-out *humanitarians, such as Sweden,* and the others who favour a slightly tougher approach. Most of these countries, including Britain, do not feel that a total ban on reprisals is advisable, although they would wish heavily to circumscribe this possibility.

The Soviet Union, and with it the East European countries, tend to take a tough line only on those matters where they feel that their national sovereignty could be infringed upon.

Liberation wars

After the initial and boisterous fight for recognition in the Conference and the acceptance of wars of liberation within the *terms of international armed* conflicts, the various liberation movement have tended to fade into the background. As for the developing countries, particularly those with potentially divisive *domestic situations, they tend* to see the proposed protection to organised resistance movements in internal conflicts as some sort of Western plot and are leery about firm commitments in this area.

The worst obstacle for the Western countries was the decision earlier on in the Conference to internationalise armed conflicts against colonial domination *and against racist regimes.* The issue has cooled, however, with the rapid dismantling of the Portuguese colonial empire, and in the final tally is likely to cause far fewer problems than was *anticipated.*

In this marathon effort, the overall objective of the International Red Cross is to meet the challenge of future rather than past conflicts as well as to ensure, by *any means, an improved performance* in the respect of existing obligations by belligerents. This requires much foot-slogging, as well as the kind of imagination that old soldiers, many of whom are *now recycled as* government delegates, do not display to a significant degree.

Consumer spending rises sharply in first quarter

BY MICHAEL BLANDEN

CONSUMER SPENDING showed an unexpectedly sharp recovery in the first quarter of this year, at a time when real incomes were being squeezed by pay restrictions.

The latest provisional figures issued by the Central Statistical Office could suggest that the pick-up in consumers' expenditure has begun rather more rapidly than allowed for in the Budget judgment. This would indicate that the level of savings has started to come down from its recent exceptionally high levels rather earlier than expected.

However, the figures are subject to revision, and the feeling in Whitehall is that later adjustments may significantly reduce the size of the apparent recovery. Moreover, there were special factors at work in the first quarter which could mean that the rise reflected only a short-term burst of buying.

The statistics show that on a first preliminary estimate, consumers' expenditure rose by nearly ¾ per cent. from the last quarter of last year, with the total up from £8.80bn. to £8.87bn. (at 1970 prices, seasonally adjusted).

At this level, spending was still 1.9 per cent. lower than a year earlier. Nevertheless, if the rise continued at this rate, it would imply an increase over the year of about 3 per cent.

One major element in the first quarter rise was certainly the temporary recovery in retail sales in January, which resulted from the buoyant annual sales and the immediate response to the December hire-purchase relaxations.

Motor vehicles

The Statistical Office reports that there were increases in most areas of retail sales, particularly furniture and floor coverings, but also in clothing, footwear and radio and electrical goods.

There was also an estimated rise in spending on motor vehicles, which helped to lift the level of consumer spending. These rises were more than enough to offset falls in expenditure on food and alcoholic drink.

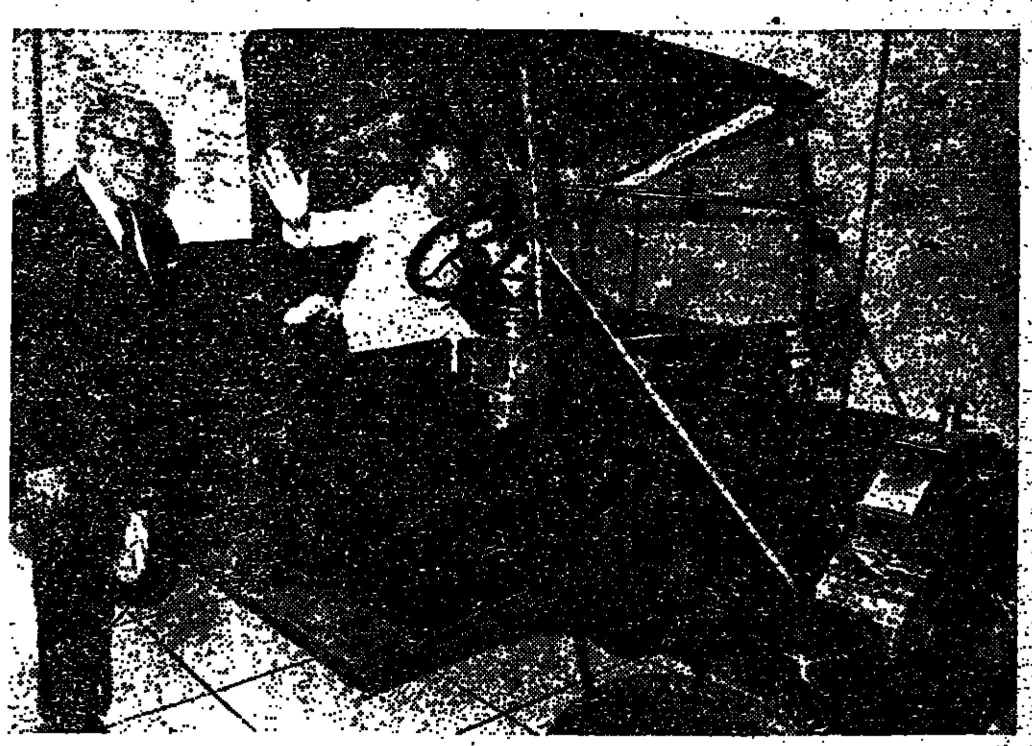
Recent figures for retail sales have indicated that their contribution to consumers' expenditure has dropped after the short-lived January increase, with the February and March figures reverting to the level at the end of last year.

Some recovery in retail sales is possible this month as a result of the cut in VAT rates on "luxury" goods, but the general outlook is for a continued relatively low level of sales.

This would be in line with the Budget forecasts, which anticipated only a slow growth in consumer spending this year. Even allowing for some reduction in the savings ratio, the growth in consumers' expenditure between the first half of this year and the first half of next year was expected to be only about 1½ per cent., with the main boost to economic recovery coming from a 9 per cent. rise in exports.

A more rapid rise in consumer spending could mean some changes in the Budget judgment and possibly in tax reliefs. However, it is felt that it would be surprising if the first quarter estimates reflected a genuine underlying trend, given the pressures on real incomes illustrated by the extent to which the growth of earnings has been lagging behind price rises.

Revisions to the expenditure figures at this stage have in the past averaged about £35m. when more accurate statistics become available, and an adjustment of this size could cut the apparent increase by half.



The official round of engagements being undertaken by the new U.S. Ambassador, Mrs. Anne Armstrong, continues unabated. Yesterday she opened an exhibition of the latest devlopments in U.S. Automotive Service Equipment and Supplies at the U.S. Trade Center in London. It gave her the opportunity to bring together General Motors and Ford, the two giants of the motor industry. Mrs. Armstrong is seen sitting at the wheel of a very early Model-T Ford. Watching, with one foot on the running-board (remember them?), is Mr. John McCormack, head of General Motors in Europe. The car was, naturally, the centrepiece of the exhibition.

First North Sea oil exports leave for Germany to-day

BY RAY DAFTER

THE FIRST export shipment of British North Sea oil is to be made to Germany to-day.

About 55,000 tons of crude from British Petroleum's Forties Field is being shipped from the company's export terminal in the First of Forth. The shipment will initially be processed by BP Germany.

Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday that during the second quarter of the year BP would export about 400,000 tons — worth about £20m. at present prices. The amount exported would be rather less than one-third of expected Forties production during the period.

The Government which is anxious to see most North Sea crude processed in the U.K. is satisfied with BP's export plans.

Mr. David Steel, chairman of BP, has told the Government that his company's policy is to process, within operational and commercial limits, as much of its North Sea production as possible in its U.K. refineries.

In addition, BP would continually explore the feasibility of disposing of surplus North Sea crude to other companies seeking oil for refining in the U.K. and offering competitive terms with those obtainable from exports.

Mr. Benn said that he could see no reason to express any concern about BP's present policy.

The first export of U.K. crude was a "milestone" in the exploitation of a key national resource.

Since the first U.K. offshore oil was produced last year, more than 2m. tons have been landed, all of which has been absorbed in the U.K.

Stop-gap chief

MR. STUART DOUGLAS, director of the British Man-Made Fibres Federation, is to take over as stop-gap director of the British Textile Confederation after the resignation this month of Mr. Clifford Jupp.

Mr. Douglas, who is also secretary of the man-made fibres producers' committee, is being seconded to the BTC until a new director is appointed.

Dublin hesitates over move on Provo march prosecutions

BY GILES MERRITT

IRELAND'S Director of Public Prosecutions will study this week a police report on Sunday's mass demonstration in Dublin by the Provisional IRA supporters to decide whether to prosecute the organisers and leading participants.

During the three-hour rally the Garda's special branch is reported to have noted the names of known Provo sympathisers taking part, and these will be in the report being forwarded to the DPP's office.

Under the Government's decision last week to ban the march commemorating the 60th anniversary of the 1916 Easter Rising, participants could be jailed for three months or fined £50. The Government also threatened to dismiss any civil servants involved.

Complicated

Any prosecutions by the DPP are expected to be against the organisers—meaning the leadership of Provisional Sinn Fein, Provisional IRA's political wing, stewards and speakers.

However, the decision to prosecute has been complicated by yesterday's surprise appearance on the speakers' platform of Dr David Thornley, a prominent Labour Party backbencher.

He has since said that he took part to underline his concern for civil liberties and freedom of speech, and although he is a noted maverick on the Irish political scene, the incident is causing considerable embarrassment to the ruling Fine Gael-Labour Party coalition.

Senator Brendan Halligan, general secretary of the Labour Party, and Dr. Conor Cruise O'Brien, Labour's prominent Posts and Telegraphs Minister, have refused to comment on the situation, although Dr. Thornley's position is certain to be examined at the next meeting of the Parliamentary Party.

Yesterday morning the Provisionals refrained from turning their funeral ceremony for Mr. Joe Clarke, one of the last survivors of the Easter Rising who died late last week aged 94, into a confrontation between the 1,000 mourners and the police who monitored the occasion.

● The Irish Supreme Court began its examination yesterday of the controversial "fugitive offenders" Criminal Law Jurisdiction) Bill, which is twinned with similar British legislation and provides for terrorists to be tried in the Republic for offences committed in the U.K. The signs are that it will endorse the Bill before the end of the week.

The five judges who make up the Supreme Court are to hand down a ruling on the Bill's constitutionality. If, as expected, they decide that it does not cut across the Republic's Constitution, President O Dalaigh will immediately place it on the Statute Book, possibly by early next week.

When the measure is law, the British counterpart enacted by Westminster last summer will come into effect, providing the police in both Ireland and the U.K. with legal machinery comparable to extradition, although rather more complicated and unwieldly.

The Bill was referred to the Supreme Court by the President in mid-March.

● A claim by the Vanguard Belfast has been denied strongly by the Government and security forces.

Vanguard's report originally claimed that the Army would abandon its strongly fortified posts in the Provo-dominated districts and that the Royal Ulster Constabulary would be left with the sole responsibility for law and order.

The Northern Ireland Office said that the report was without foundation.

London Port study blames high cost and unreliability

BY DONALD MACLEAN

HIGH COST and a reputation for unreliability are the main factors adversely affecting the Port of London's "inability to gain additional trade," according to an interim report of the Joint Port Trade Development Committee.

The report summarises the finding since November of the committee, which was set up to increase trade coming into London and seek ways which would help to improve the competitiveness of the port.

Other points from the report are:

1—Productivity levels—particularly before 1975, when a new bonus incentive scheme was introduced.

2—Ship turnround times.

3—Lack of customer confidence.

4 An apparent lack of commercial drive.

5 Poor "image."

A fundamental re-assessment of the port's charging structure is necessary, according to the committee, while there is "room for much improvement in industrial relations attitudes."

Certain points relating to costs, and therefore to charges to customers, should be analysed and researched in depth, while some basic questions should be answered.

These questions touch on: existing manpower strengths of management, clerical staff and registered dock workers; port resources in relation to needs; the cost of servicing "excess resources;" the extent of the Port of London Authority's statutory responsibilities.

They also point to the responsibility for dealing with staff and resources surplus to the needs of efficient running, and the proper role in the matter of the Government; marketing and promotional activities; costs savings and their impact on the Port's charging structure; and whether it should be recognised "that the port cannot balance its books by continually increasing its charges."

● The Port of London Authority said last night that the committee had done "a useful job in pointing up the difficulties faced by the port, but, as the report pointed out, the problems were shared by other ports."

Government paid shipyard Receiver £325,000 loan

Financial Times Reporter

THE DEPARTMENT of Industry said yesterday that it made a £325,000 loan available to the Receiver appointed to manage the Humberside shipbuilder Drypool Group at the time of its financial troubles in September.

The money, it said, was to pay wages and salaries to give the Receiver time to assess the situation and renegotiate contracts with the owners of vessels under construction.

The group was removed from the list of companies to be nationalised when the Receiver concluded that there was no future for it as a gorup, and that the best prospects for saving employment would be to sell off its component parts.

An Industry Act loan of £400,000 to the United Towing Company of Hull, which is taking over Drypool's Selby shipyard, would secure 350 or more jobs, and there were prospects of 70 more people finding work there eventually, the Department said.

The United Towing Company is ordering two tugs from the Selby yard and investing £500,000 immediately. There are prospects of further orders.

Greater scope for friendly society pensions

By Eric Short

REGISTERED friendly societies will now be able to undertake occupational pensions business under regulations laid before Parliament yesterday by Mr. David Ennals, Secretary for Social Services.

Friendly societies are strictly controlled by law on the size of life policy and annuities they issue. These limits are extremely low by present life assurance standards—£10,000 for assurances and £500 per annum for annuities.

The new regulations lift the restriction on the amount of benefits the societies can provide. They also allow employers to become members, so that they can contribute to pension schemes with friendly societies.

The approval of the Chief Registrar of Friendly Societies will be required for each society.

BBC claims lead over ITN

BY KEVIN DONE, INDUSTRIAL STAFF

BBC TV's Nine O'Clock News attracted an average of 8.5m. viewers a night compared with 6.8m. viewers for ITV's News at Ten in the first quarter of this year, the BBC claimed yesterday.

The BBC published its version of the audience figures in a further move to counter what it calls the "myth" of the invincible popularity of News at Ten.

"As against the myth we have always in fact been ahead," said the BBC.

The figures are the first to be released by the BBC after the appointment of Mr. Andrew Todd as the new BBC head of news.

Behind the figures lies a constant battle between the BBC and the independent companies

The BBC uses a system of market research involving 2,250 daily street interviews, whereas ITV figures are derived from meters placed in specially selected sets around the country.

ITN claimed yesterday that the last analysis under the JICTAR —Joint Industry Committee for Television Advertising Research —selection system showed that News at Ten was viewed in an average of 10m. homes a night.

Mr. Richard Sherwood, controller of JICTAR, said that ITV's News at Ten last appeared in the Top Twenty programmes on February 6, whereas the Nine O'Clock News had not featured in the list at all this year.

The battle for viewers for television's main evening news slot has also led to speculation that News at Ten will be moved to a new slot in full competition with BBC News.

The issue is being fought between some of the independent companies' programme controllers and Independent Television News itself which opposes such a change and has recommended to the Annan Committee on the Future of Broadcasting a longer news time at 10 p.m.

High demand in tanker charter market

BY DONALD MACLEAN

INCREASED OVERALL activity has been seen in all sectors of the tanker charter market in the March-April period, according to Eggar, Forrester, the London shipbrokers.

"Of particular significance, was the relatively high level of demand for very large crude carrier tonnage for period charter following an improvement in single voyage rates from Worldscale 17½ to W.30 in under four weeks," the brokers say.

The "threatened closure of the Iraqi pipeline to the Eastern Mediterranean heralded an increase in demand for larger units from the Arabian Gulf." Most noticeable, it is said, was the entry of London major charterers after a lengthy absence from the market. American and Italian charterers were also active.

Very large crude carriers in the Arabian Gulf sector improved their rates from W.17½ to W.30, while in the lower range, 100,000 tonners commanded W.36½, against W 27½.

The "handy" sizes in the Arabian Gulf "continued to find employment prospects scarce. Short haul cargoes to the East, however, were virtually unchanged on the month at about W.140, and there was little change, also in the handy, clean cargoes — the last chartering being a 25,000-tonner to the Mediterranean at W 117½.

Rates in the Mediterranean and West Africa sector reflected the Arabian Gulf improvement in rates, with 50,000-tonners finding an improvement of about 10 points to W.60 for transatlantic voyages, and 80,000-tonners accepted W.40-47½. In this sector, 20,000-tonners continued to take W.115 for Mediterranean to the U.K. or Continent.

● The Philippines is to be included in the joint Trio service between Europe and the Far East from June 1, by way of a Hapag-Lloyd container service, which will be additional to the fortnightly conventional service.

● No "significant improvement in drycargo rates is expected for some time to come" by the brokers.

Mint's coin output falls

By Donald Maclean

THE ROYAL MINT'S production of circulating coins in 1973-74 was the lowest since 1963, although there was continued growth in the collectors' markets at home and abroad, according to the Mint's annual report.

The relatively low level of production was mainly the result of reduced demand by overseas customers. The number of coins produced for circulation in the U.K. was 624.4m., against 533.3m. in 1972-73.

The total of ordinary coins produced, including overseas coins, fell to 859.6m. in 1973-74 —from 1.292bn. in 1972-73. The coins covered 92 denominations for 33 countries.

Production of ordinary overseas coins fell to 235.2m. to 759.3m.

Bureaux dealing directly with collectors were set up in Australia, Japan, West Germany and Scandinavia, to join the two already in the U.K. and North America.

The Mint reported a "considerable increase" in the number of coins submitted for opinion on counterfeiting.

The gap between the Peugeot owner [a]nd his chauffeur has never been greater.

If you travel regularly in a £5,000 plus motor car, do you sit behind your chauffeur or beside him?

If you find more legroom in the front than in the back, could there be something wrong with the shape of your car?

We asked ourselves these questions when we designed the Peugeot 604.

And our answers are perhaps best summed-up in 'Car' magazine's comparison test: "For four persons' comfort, the Peugeot is a clear winner."

(The lengthy rear legroom and high roofline of the 604 were designed specifically with comfort in mind.)

But there are times when a man feels like changing places with his driver.

'Car' magazine again: "The power steering has a delicious precision and progression to it, making the car feel eminently driveable." They went on to observe that the 604 combines a "similarly outstanding" ride to that of the Jaguar XJ3.4 with "marginally greater road holding... especially in the wet."

For performance, we developed a light alloy overhead camshaft V6 engine that smoothly rushes the car to near 118 mph, yet takes it as far as 23 miles on each gallon of petrol.

Refinements include superb quadruple halogen headlights; four electrically operated windows; and subtly tinted glass all round.

Individual rear interior lamps, head restraints, convenient inertia reel seatbelts, a quartz crystal clock and power steering can be taken for granted in a car of this class.

Prices begin at £5,053 for the manual gearbox model, and run to £5,649 for the automatic 604SL, complete with hide upholstery.

All models have electric sunroof as standard.

Next time you see a Peugeot 604 on the road, take a close look at the seating arrangements.

If the owner's in front, it must be because he can't resist driving it.

I am interested in comparing the Peugeot 604 to my Mercedes, Jaguar, BMW, ________ (other) ☐ I am interested in duty free export sales facilities.

Name ________

Address ________ 55

________ Phone ________

Send to Customer Liaison, Peugeot Automobiles (UK) Ltd., Peugeot House, Western Avenue, London W3 0RS. Tel: 01-993 2331.

Other models available: 604SL manual with leather upholstery £5508 and 604SL automatic with velour upholstery [illegible], including car tax, VAT and front seat belts, but excluding delivery and number plate charges. Price correct at time of going to press.

HOME NEWS

Pressure mounts on U.K. over Airbus

BY LORNE BARLING, INDUSTRIAL STAFF

PRESSURE WAS increased yesterday on the Government and the British Aerospace Organising Committee, headed by Lord Beswick, to clarify its intentions about the future of Europe's most successful civil airliner, the A300 Airbus.

There were strong denials of a preliminary agreement between France and the American Boeing company for the development of the Airbus, with the possible exclusion of Hawker Siddeley, which is now building the aircraft's wings following the withdrawal of the British Government from the project.

But with Hawker Siddeley soon to become part of the nationalised aerospace company and Aerospatiale, the French participant, anxious to avoid layoffs at its factories, a statement of Government intent is now regarded by the company as essential.

Mr. Gerald Kaufman, Minister of State at the Department of Industry, recently had talks with French officials about the European industry and Airbus was discussed, but Lord Beswick's department has not been actively involved.

Hawker Siddeley, which has also been working on overall design and sales and product support, believes that although Boeing would provide assistance in selling in the U.S. market, the European partners would welcome a greater British commitment.

"The strength of the European consortium, which includes West German Dutch and Spanish partners, would be strengthened if the U.K. Government was to make some declaration of intent," Hawker Siddeley said.

It was felt that during the reorganisation of the U.K. industry vital opportunities could be missed and the Airbus, which has already earned £80m. for Hawker Siddeley and promises to be highly successful, could be "the making of the European civil aircraft industry."

Jay Palmer adds from New York: Boeing denied in Seattle yesterday that any letter of intent had been signed between Boeing and Aerospatiale for future collaboration of joint aircraft projects. It had been talking to European manufacturers on possible collaboration for some years, and specifically with French manufacturers for the past nine months.

Boeing's talks with Aerospatiale centred on two possible collaborative projects—a second generation of the Airbus and the Boeing 737 aircraft. But "any speculation as to what the area of collaboration might be is premature. No agreement is imminent," Boeing said.

Robert Mauthner writes: The signature of a letter of intent at this stage would be highly premature since the French Government has not yet made up its mind which of two alternatives it should choose. The final decision, due to be taken by the Cabinet in June, is so delicate that it may well be put off until the autumn, according to informed sources.

Public asked for more aid to private medicine

BY ERIC SHORT

THE PRIVATE SECTOR of medicine would need further support from the general public if it is to meet the expected rise in demand for its services after phasing-out of pay-beds in the National Health Service, said Mr. E. F. Webb, chairman of Nuffield Nursing Homes Trust, in his report for last year.

The policy of the trust is to meet the capital cost of a new hospital by public appeal in the area which the hospital is intended to serve. The charges for beds are kept at a level which will meet the running costs of the hospital.

Mr. Webb said the public had contributed £4.75m. in appeals since the trust's inception in 1957.

Last year it had an operating deficit of £1,343, compared with a loss of £232,019 in 1974. Interest charges and other costs resulted in the trust having an overall loss of £44,202 in 1975.

Mr. Webb stressed that the organisation had been hard hit by inflation and had made substantial pay awards to nurses and other staff. Substantial charges were made last year and further increases were almost inevitable later this year.

The trust has the largest chain of private hospitals in the U.K. and is a charity sponsored by the British United Provident Association, the largest medical insurance agency.

BUPA provides substantial sums to the trust each year. Last year Private Patients' Plan, the second largest medical insurance organisation, started giving the trust financial support.

At the end of last year it had 24 hospitals in use, with 762 beds. Since then hospitals have been opened at Hove and Enfield, and work has started on a 30-bed hospital at Southampton.

Survey will check health of all asbestos workers in U.K.

BY DAVID FISHLOCK, SCIENCE EDITOR

A MEDICAL survey of U.K. asbestos workers, to be carried out by the Health and Safety Executive, will embrace everyone subject to the Asbestos Regulations 1969 — probably 10,000-15,000 workers.

Surveillance will include frequent chest X-rays of each worker, monitoring of their exposure even when this is at very low levels, and a follow-up programme lasting for 10-20 years or more.

This ambitious project affords some idea of how seriously the Health and Safety Executive is treating the subject of a new publication to be launched to-day by Lord Avebury. Safety of asbestos is emerging increasingly as a problem of public hygiene as well as an industrial hazard.

At the same time, it is clear that the committee of inquiry into asbestos—which Mr. William Simpson, chairman of the executive's parent body, the Health and Safety Commission, will himself head—is likely to spring no swift new solutions to a problem that has already been studied since the start of the century.

Asbestos, a fibrous mineral with a multitude of uses in the modern world, is now recognised as the cause of three distinct, though related diseases.

One, acknowledged for centuries among asbestos miners, is asbestosis, a form of pneumoconiosis ("dust disease") in which the sufferer slowly suffocates as a result of progressive lung damage. Asbestosis is irreversible and cannot be treated.

Upwards of 100 deaths in Britain each year are recorded as caused by asbestosis, and the numbers have been increasing.

Even so, this is almost certainly an underestimate, chiefly because the course of the disease is so unpredictable and often so protracted. It may develop quite soon after the patient's exposure, or it may not show symptoms for 10-20 years, by which time he may long have left the industry. In such cases it is more likely to be recorded as chronic bronchitis.

The second disease associated with abestos is lung cancer. The evidence that workers exposed to asbestos also had a greater risk of contracting lung cancer came to light as recently as the 1960s. But a complication here is the "potentiating effect" of cigarette smoking, which can greatly increase the risk.

The most recent revelation, dating from about 1963, is that asbestos is responsible for a particularly malignant kind of cancer known as mesothelioma, which occurs not in the lung tissue itself but in the pleural cavity between the lung and the chest wall.

One medical study has shown that two-thirds of those suffering from mesothelioma also had a record of occasional exposure to asbestos. Moreover, it is a disease of which—unlike lung cancer—there are no reports of cures.

Precisely how asbestos fibres initiate these three diseases is still not known. What is known is that the sharper the fibres the more damage they seem to cause, presumably by the ease with which they pierce living cells.

Upwards of 100 deaths in Britain each year are recorded as caused by asbestosis

Blue asbestos (crocidolite), once widely used, was largely banished from the U.K. a few years ago when its particularly sharp fibres were recognised to be, in the words of a former chief inspector of factories, "far more dangerous than other forms of asbestos."

Industrial exposure levels nearly ten times lower were set for this highly toxic form of asbestos.

Around 1,200 factories in the U.K. are subject to the Asbestos Regulations 1969, which lay down a very stringent dust standard of two fibres per millilitre of air for ordinary (usually crysolite) asbestos, and only 0.25 fibre per millilitre for blue asbestos. But these standards were set in relation to asbestosis, and not to cancers.

LORD AVEBURY
new publication launched

Mr. Simpson's committee must now consider whether they need to be still more stringent. There is some U.S. evidence already that the standard may be set too high.

But such a move may raise a still trickier problem for the committee of inquiry. If it can be shown conclusively that very low levels of exposure to asbestos may be harmful to susceptible people, much tighter control of the use of asbestos may be needed in situations where, for instance, an asbestos product may become damaged and crumple into dust.

What, for example, should be done about the man who has been in the habit of moistening an asbestos-based wall plug material in his mouth?

Philips Pension Funds face claims for £1m.

BY KEVIN DONE, INDUSTRIAL STAFF

A SERIES of High Court writs claiming a total of nearly £1m. are to be served on Philips Pension Funds (Philips Industries) in connection with the restoration and modernisation of an early 19th century Regency house in the West End of London, Bondvale, a private property company, said yesterday.

Bondvale is serving a writ for work involved, fees and substantial damages for more than £550,000 and the building contractors, F. W. Barnard, are claiming more than £60,000.

When the building at 3, Hyde Park Place, London, was fully completed and ready for occupation on May 17, 1974, Philips Pension Funds did not pay the final Architects Certificate and did not pay sums due to Bondvale, says the property company.

It produced a prospective tenant in the shape of the Gabonese Government which made a written offer to lease the property at an annual rental of £100,000 for 17 years. But Bondvale claims that Philips refused to take the matter further, despite an agreement entered into in August 1972.

Architects oppose move to scrap minimum fee

By H. A. N. Brockman, Architecture Correspondent

ARCHITECTS' SERVICES will deteriorate if the present mandatory minimum fee scale is replaced by negotiable fees and price competition, the Royal Institute of British Architects says to-day in a report to the Monopolies and Mergers Commission investigating the matter.

The minimum fee scale is an essential prop to the quality of their professional services, the RIBA says. Clients would get no real benefit from any axing of this system.

The RIBA described the function of the architect and his relation to the client. It tried to explain the economic structure of the profession and the difficulties it would suffer if fees were open to bargaining.

The erratic flow of work and the difficulty of foreseeing sufficiently soon the problems which might emerge as a project proceeded would render private architects very vulnerable to pressure.

Earnings pattern

Large clients could bring substantial pressures in an attempt to reduce fees. In such cases the professional relationship between architect and client and the standard of architects' services would begin to crumble.

The earnings pattern showed that fee scales in the past have neither produced excessive earnings nor supported inefficiency.

The monopoly enjoyed by architects using the mandatory scale did not prevent keen competition in the face of other sources of architectural and design services. These ranged from professional in-house teams in the public sector, commercial design-and-build operations and also other private practices.

Discussions were being held between architects and the Government on the possible form of an independent body for reviewing the fee situation, after the Prices and Incomes Board report of 1968. But these were interrupted when the Monopolies Commission's first report on professional services generally was published.

Bill to boost rural Wales

REVITALISATION of the Welsh economy is the main purpose of the Development of Rural Wales Bill, published yesterday. It was given a first reading in the Lords on April 13.

It would give the Welsh Secretary power to aid financially the social development of the principality and implement a commitment to set up a Development Board this year.

Five companies join in electric van trial scheme

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

FIVE BRITISH companies making regular town deliveries are collaborating in development of an electric truck with a 35-cwt payload that could put the U.K. ahead of world competition.

Initially three companies have been involved in the project—National Freight Corporation, which began concentrating in 1973 on the potential for a silent, clean-air vehicle for its parcel-carrying NCL subsidiary; the Chloride battery group; and Chrysler (U.K.), which makes a suitable "Karrier Walk-Thru" van in wide use by the NFC.

The result is electrification of a van, the Silent Karrier, which for two months has been successfully used in Birmingham at a National Carriers' depot with only three days out of service.

Competitive

The batteries and drive train have been incorporated into the Walk-Thru without major modification, apart from a Clayton Dewandre full-power hydraulic braking system. It is designed for "traffic compatibility"—that is to say that it need not get left behind at the traffic lights, and in every other way behaves like an internal combustion-engined van.

It has a 40-mile stop-start range, with a maximum 40 mph, that is estimated to cover three-quarters of all town-based 35-cwt vans.

NCL believes it could replace 2,000 of its 9,000 fleet nationally, and there is more potential among the 25,000 fleet of National Freight.

The four companies which, together wth NFC, will evaluate 15 Silent Karriers in the next three years are Advance Laundries, W. H. Smith, Rank Hovis McDougall and Unigate.

While the electric van costs about 50 per cent. more than a diesel-engined equivalent, Dr. Brian Edwards, director of Chloride's motive power projects group, said in Birmingham yesterday that relatively low maintenance costs and service charges over ten years, compared with a normal seven years for a diesel, would make it economically competitive over its life at present-day costs.

But what National Carriers and others are looking at is the ability of an electric van to deliver to areas from which internal combustion engines are excluded, such as certain factory areas and shops in pedestrian precincts.

"This would give us a valuable new competitive edge and market possibility," said Sir Dan Pettit, NFC chairman.

This was an aspect also seized upon by Mr. Gilbert Hunt, chairman of Chrysler (U.K.), whose Walk-Thru van concept receives a valuable fillip and the prospects of an entirely new market from these developments.

The lead-acid battery life of the Silent Karrier is four years, or about 1,000-1,200 working days. Higher-performance versions, expected to be available before long, could improve acceleration and range, but at the expense of reduced life of three-four years and 800-1,000 days' operating ability.

Sodium battery

A high-temperature sodium sulphur battery on which solid progress is being made would, it is estimated, through low-cost materials and light weight, give an equivalent 100 mph-plus top speed. It could drive buses and a bigger range of delivery vehicles.

The Department of Industry is funding research at Harwell, and the Energy Department British Rail's programme.

Shell to spend £8m. on new Syngas unit

BY DAVID RHYS, CHEMICALS CORRESPONDENT

SHELL CHEMICALS U.K. is to spend almost £8m. on a second synthesis gas unit at its site at Stanlow, Cheshire, for manufacturing chemical raw materials.

The new plant, due for completion in 1978, will draw on naphtha from the company's oil refinery at Stanlow to manufacture the gas, which will be used in Shell's alcohols complex.

Shell's Stanlow complex is its only alcohols plant in Europe and was built in three stages between 1967 and 1972 using a process developed by Shell in the U.S.

The company said yesterday that the new synthetic gas (Syngas) unit would provide a valuable back-up to ensure security of supplies of alcohols.

Increased supply of the gas would also allow greater flexibility of production of different alcohols, enabling the full use of the complex, and would leave spare capacity for expansion of alcohol production as demand increased.

Fall in £ draws foreign house buyers

BY QUENTIN GUIRDHAM

THE DECLINE of sterling is a main factor in what some estate agents describe as a record rate of sales of the more expensive London flats and houses.

Many of these are to Arabs and Iranians. Other buyers have come from the U.S., Greece, and, to a lesser extent, other parts of Europe.

Conversely, present exchange rates and the investment premium are contributing to a very low level of British private investment in residential property abroad compared with three years ago.

Agents report that over the past nine months there appears a definite correlation between a sharp drop in sterling's value and increased demand for luxury homes in London.

Other special factors have helped the market, such as the choice of London as a second, or summer, residence by Arabs who previously kept apartments in Beirut.

Demand has increased sharply again since the beginning of March. To some extent foreign demand is overlapping with increased home demand caused by freer mortgage lending.

In the up-market flats and houses round Hyde Park, in Mayfair and Knightsbridge, the main buyers, however, are foreign.

Hampton and Sons has reported sales running at £100,000 a day, with four recent purchases involving £195,000, £110,000, £85,000 and £150,000.

In spite of the sums involved, buyers are said to argue prices down to the last £2,000 or £3,000, with a sharp fall in the pound often bridging most of the gap between seller and potential buyer.

Agents do not confirm stories that most of the property concerned is being sold by Britons re-investing the proceeds in foreign property as they emigrate.

Gross Fine and Krieger Chalfen, for instance, could recall only two clients who, since the start of last year, had sold to foreign buyers in order to move abroad, and one had held a foreign property already.

The decline in private investment in foreign property began over two years ago. Apart from a drop in disposal income due to domestic inflation, other factors have included the fall in U.K. house values, leaving less collateral against second mortgages; disallowance of tax relief on mortgages over £25,000 and on second homes; and changes in the Overseas Sterling Area which particularly affected the Caribbean.

One specialist in overseas residential property, Rogers Chapman International, rates such factors as a greater influence than exchange rate changes or the investment premium, which, though reduced by sales of South African gold shares, is still adding 45 per cent. to the cost of a foreign home.

Much foreign property, during the early 1970s, was probably bought without paying the premium, at least on the full purchase price. Some Spanish villa developers were known to have couriers who travelled to Britain and were prepared to accept payment in cash.

One agent said: "The only English people who can afford to buy abroad are those with money there, whether through foreign companies or whatever. One doesn't ask."

Apart from a tightening in exchange controls, highlighted by present inquiries into premium dealings, one important reason for the decline in foreign investment, particularly by those retiring, is that with a fall in the pound the sale price of many British houses and flats do not provide funds to buy comparable homes abroad.

Most vendors are still happy to accept prices which would have been asked in 1973, but which have not been obtainable again until recently.

North British Credit to cut interest rates

By Our Nottingham Correspondent

NORTH BRITISH CREDIT, of Hull, is to reduce its interest rates for customers of Comet Discount Warehouse at Sandiacre, near Nottingham, following an attack in a Notts County Council survey.

The survey described the rates as "punitive" after charges at seven stores in the East Midlands had been compared.

Mr. Alfred Lake, a director of North British Credit, said the company had hoped to bring down the rate before the report was published but negotiations had not been completed.

The flat rate, he said, would be reduced to 17.5 per cent., an effective rate of 28 per cent. a year, compared with 38.5 per cent. previously.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PRINTING

Torrents of words from IBM unit

PRINTERS and computer users with a heavy print load have under study a new offering from IBM which has the incredible-sounding output at maximum of 13,360 lines per minute at 8 lines per inch or 10,202 lpm at 6 lines on 11-inch length forms.

Intended for printing on single-part continuous forms in various combinations of common sizes, the 3800 generates its characters electronically from four character sets with up to 64 graphic characters, one of which is a blank. Four styles can be intermixed on one line if required.

Printing is repeated for multiples so that "copies" are of the highest possible quality.

Spacing options result in 10, 12 or 15 characters to the inch, again with the possibility of intermixing on a single line.

Forms overlay is another facility.

The basis of the process is a drum with a photo-conductive surface rotating at constant speed. A low-powered laser generates print by "writing" the letters on the surface of the moving drum. The exposed portions of the drum surface electrically attract an ink toner which is transferred to paper pressed against the drum as it turns.

Toner is fused to the paper by pressure and heat and the drum is wiped clean for the next impression, all in one continuous sequence.

Autonomy is provided in the 3800 which has its own controller, but the print unit can be attached to IBM 370 machines from model 145 upwards.

IBM, Wigmore Street, London, W.1. (01-935 6600.)

● PACKAGING

Packs more cigarettes a minute

ABLE TO pack 3m. cigarettes in one eight-hour shift, a packaging complex, known as the X2, has been developed by G. D. Societa per Azioni, of Bologna, Italy.

Heart of the system, the X2 itself, will produce up to 360 hinge-lid ("flip-top") packs a minute, believed to be the fastest machine of its type in the world. The company says that because of this high production rate, the reduction in labour (one girl can operate the complex), and machine reliability (85 per cent. mechanical efficiency is claimed), the system will show a significant reduction in packaging costs.

Minimal wastage can be achieved if the cigarette and pack blank quality is high—unsatisfactory packs are automatically rejected (and counted). Electronic fault-finding equipment indicates trouble spots as they occur, for speedy correction.

The X2 picks and stacks the cigarettes in 10s or 20s, wraps them in foil, puts on the collar, and forms and glues the packs around the contents, without pressure.

The other machines in the complex are the packet film overwrapper and the parceller or cartoner to produce the final "outers." If required, the X2 will insert coupons and apply a Government stamp as the cigarettes are packed.

Occupying a space about 19 x 24 feet, the complex, which requires power for two 11.5 kW motors and a compressed air supply, is claimed to be twice as fast as its nearest competitor.

More details from G. D. Wrapping Machines, 8 Camden High Street, London NW1 0JH (01-387 9166).

● COMPONENTS

Digitises linear motion

TRANSDUCERS have been developed by Moore Reed and Company that will convert linear motion directly into digital information. A shaft encoder is employed with an integral high precision rack and pinion motion, ensuring stability and repeatability of data.

Either incremental counts or absolute codes are available, the latter in Gray, natural binary, or binary coded decimal at logic level. Standard transducers offer resolution up to 1000 and two to the power of ten per inch of stroke, with strokes up to eight inches. Other strokes, codes and resolutions can be considered by the company.

Systems can be supplied complete with display, complementary logic and leads ready for connection to the mains. More from the company at Walworth Industrial Estate, Andover, Hants (0264 4155).

● PROCESSES

Carpets get cured

MUCH OF the carpet now being produced in Britain is printed by one of several different systems. In addition much of it is based on carpet backings made from synthetic fibres, having a synthetic fibre pile yarn and then treated with a synthetic latex foam backing. Methods of production have changed substantially over the past two decades and there is still a rapid rate of development.

One of the newest machines for processing carpet has just been installed at Homfray and Co., by Spooner Finishing Machinery (Ilkley Hall, Ilkley, West Yorks. LS29 9JF (09433 2271). The new type range is able to anchor coat and foam back tufted carpets of 12 feet or 4 metres width at speeds of 4.5 metres/minute. Much of the carpet will be printed.

In the new range the carpet is taken through a brushing unit with the pile facing downwards. Loose material is removed, then stray fibres are burned away, while an ironing unit will flatten any knots. After coating with an anchor coat the carpet backing is dried and then the foam is applied. A turret head foamer is supplied so that either 12 feet or 4 metres width carpet can be handled without having to adjust machine widths.

As the carpet progresses along the 49 metres length of the range it enters a curing oven where the upper chamber cures the latext foam at a temperature of about 150-165 deg.C., while the lower and temperature-sensitive pile face is only subjected to about 100-110 deg.C., which will not harm it.

Once delivered from the oven the carpet is forced-air cooled, trimmed to width, inspected and then cut to length for shipment.

Incinerates and reclaims

FURNACES for the incineration of high calorific value wastes have been put on the market by Tolltreck. The company claims they provide rapid and effective incineration of gases, liquids and solids, and can be used for the reclamation of silver, aluminium, zinc, copper and lead. Temperatures may be controlled between 650-1500 degrees C.

Each furnace is custom built and can be fully equipped with firing equipment, controls and instrumentation. Tolltreck will also undertake total responsibility for installation and commissioning of a total process plant.

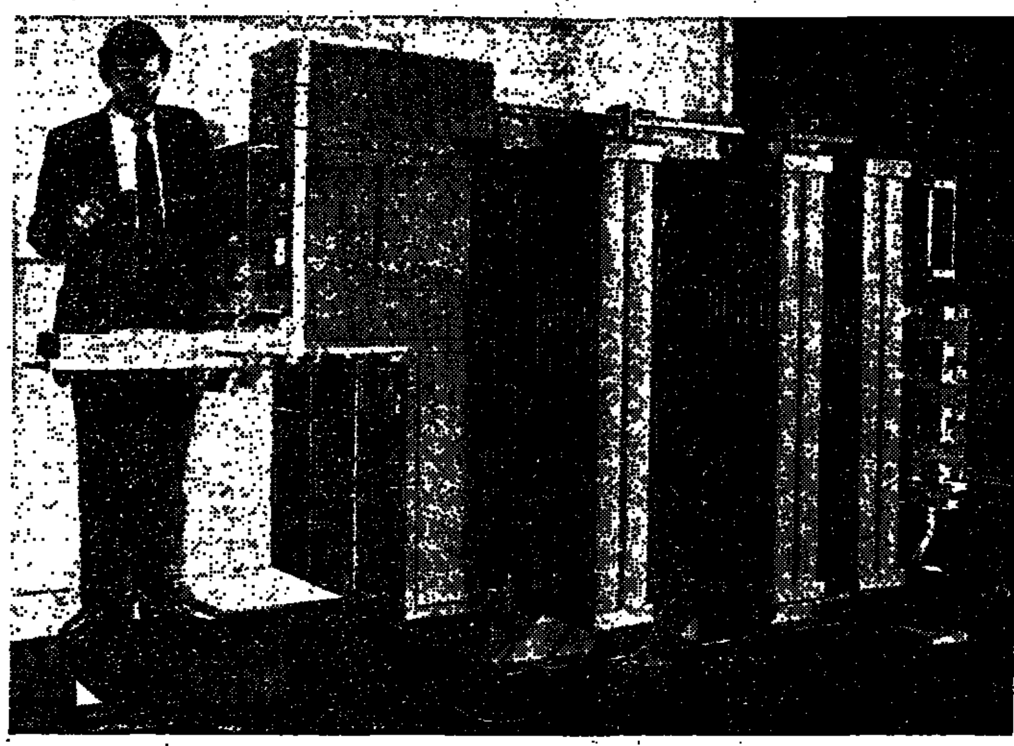
The company operates from Priory House, Friar Street, Droitwich, Worcestershire, WR9 8ED (09057 5661).

Miniature conveyor ovens

TO PROCESS small components in a production line, a range of miniature belt conveyor ovens has been introduced by Hed'nair, 2 Whalebone Lane South, Dagenham, Essex RM10 8SX (01-593 7221).

Electrically heated with forced air circulation and potentiometric temperature control, the ovens' belt conveyors are of steel mesh, available in 6 or 12-inch widths, with a variable speed drive. The heating tunnels are 3 or 6 feet long and can operate up to 300 deg. C (standard) or 550 deg. C for the high temperature model.

Prices start from £1,400, and the company says that typical applications include curing varnish, plastic or resin coatings, tempering springs, softening plastics, sintering ptfe, annealing glass, reflow soldering, drying and stoving.



So that Eastern Electricity Board can assess the differences between Continental and U.K. standards and practices, Woden Transformer Company has installed this 630 kVA packaged sub-station for the Board at Bilston. The station has been designed with many markets in mind including North Africa and the Middle East, and it meets DIN standards for all the EEC countries, making it suitable for most of Western Europe. It is self-contained and is supplied complete with choice of corrosion and weatherproof housings. Incorporated are a Woden transformer, triple pole switchgear by Krone, LV distribution fusegear equipment by Woden's fusegear division, and full instrumentation.

● COMPUTERS

Mohawk re-emerges

FOLLOWING a period of management and operational retrenchment involving closure of superfluous manufacturing units, a 30 per cent. employment reduction and rationalisation of product lines, Mohawk Data Sciences has re-established a profit position and at the same time announced a new attack on the shared processing market with the MDS 2410 key-display system.

Main change from its previous systems is from core to LSI memory so that up to 32 keystations (eight more than previously) can be connected to the processor, the memory of which can be expanded from 64 to 128 kilobytes. To complement the enlarged processor memory, the new MDS 2478 disc drive has a capacity of up to 150,000 pages (some 19m. bytes).

For shared processing the 2410 with expanded memory can also handle concurrent batch operations from 32 keystations enabling local processing to be carried out. For example, simultaneous with keying and background supervisory functions an independent utility card-to-tape can be executed, increasing options open to the user. Communication emulators enable connection to IBM and ICL computers. Also possible are formatted printing and various media conversion routines.

On the software side there are now more than 45 products, available without charge, to choose from. They include table handling, source document control and general registers.

The price of a 2410 system consisting of 64k of memory, 2470 and 71 disc drive and control (2m. bytes) and eight keystations is £33,000. Rental is £680 on a five year agreement. More from MDS Data Processing, 50 Vauxhall Bridge Road, London S.W.1. (01-828 1288.)

Stores more words

FLOPPY disc storage and mark sensing facilities have been added to the Scribona word processing machines with the announcement by the makers, Ultronic Data Systems, of the model 150.

Some 385,000 characters can be stored on a single eight inch magnetic disc, enough for between 150 and 180 pages of A4 typescript. Advantages claimed are that storage is highly compact, costs are about one half of other forms of magnetic media, and access to any part of the stored data takes place in no more than a second.

Addition of mark sensing means that any authorised person can command the machine to produce standard texts simply by making a few marks on a pre-printed form and feeding it into the reader.

Controls are similar to the existing model 96 and 100 machines, incorporating editing and erase keys, automatic tab memory and right hand margin control, but in addition the 150 has sequential playback of addresses, a merging feature and a ten key numeric cluster for accessing data. More from 9 Jefferson Way, Thame, Oxon OX9 3SU (084421 3151).

● NAVIGATION

Beacon for marine use

REDIFON has developed a version of its BK125 aeronautical beacon for marine purposes. The design remains all solid state with no moving parts and meets the requirements of the Paris Plan 1951.

Key to the design is a code-reader that will accommodate a wide range of code sequences in use throughout the world, allowing for accurate sequencing of chains of stations. Timing stability is of a high order, within 2 seconds over 11 months, 17 months or two years depending on the grade of oven controlled crystal oscillator chosen. An optional stand-by batte[ry pro]vides continuity of timin[g in the] event of mains failure.

Beacon identification together with the "long ... are stored in a progr... read-only memory: the rate may be pre-set at ten words per minute. T... sender may be pre-set ... tinuous operation or to ... at any selected mi... minutes of a six minu... shared group beacon s... It can also be set to ... within any selected six ... period of a 30 minute ...

The unit is accomm... with the BK125 transmi... a power unit in 19 in... or cabinet. More from ... Telecommunications, B... Road, London SW18 4... 874 7281).

● CONFERENCES

Energy from the wind

AUTHORS FROM 12 countries will describe practical and theoretical schemes for harnessing wind energy at a symposium to be held from September 7 to 9 at St. John's College, Cambridge.

Titled "Wind Energy Systems," the symposium will include an open session to allow the merits of various systems to be debated in detail. The organiser, BHRA Fluid Engineering, says that wind is a high-quality form of mechanical energy which can be converted to electrical energy with minimum losses. It is flexible in its applications, which range from a single windmill for individual use to large-scale generation for large input to the national grid.

In the northern hemisphere the climate works in favour of wind power, because wind force is highest when the demand for electricity is at its greatest. With these factors in mind, a contribution from Denmark assesses the uses, costs and environmental aspects of windmill systems for generating electricity, and producing heat or hydrogen.

Wind turbines, propeller-type rotors, tornado type wind generators, and conventional windmills will all be covered. Methods of storing energy will be described by authors from Mexico and the U.S., while the economics of wind power will be discussed by British authors.

For details, BHRA, Cranfield, Bedford MK43 0AJ (0234 750422).

● MACHINE TO[OLS]

Machinin[g] complex cavities

PATENTED, new equip... the spark machining of ... cavities is the result o... development work at t... pean Community's ... Research Centre at Isp... Milan.

The spark machini... introduced into the wo... through a narrow ... hole, can be used to ... cavities of an extrem... variety of shapes (cy... spherical, conical, prism... combinations of these).

The largest dimensio... cavity can be many t... diameter of the hole ... which the tool is introd...

Machining electrodes ... made to move simultan... three directions, thes... ments being co-ordin... cams or computer, to p... cavity of the required sh... surface finish is a functi... machining speed and of ... trode employed.

Applications are antic... the working of hard m... for making components ... welding or soldering c... used to obtain the ... shape. Examples are ... internal combustion en... gas turbines which pose ... cooling problems, mould...

Inquiries about this s... addressed to the Comm... the European Commun... XIII, Technology ... Department, 29 rue ... Luxembourg.

● FINISHING

Abrasive planer and sander

LATEST IN the range of planers and sanders made by Divisione Meccanica Castelli, of Italy, is the Europa 120, which has been developed as a dual-purpose abrasive planer and finishing sander.

The conveyor belt carrying the workpiece is raised or lowered by four telescopic supports to provide a planing or sanding tolerance claimed to be only ±0.03 mm. It is driven by a non-skid powered roller, in conjunction with a tensioning roller, adjustable for centreing. Workpieces are brought into contact with the sanding belt by an adjustable height roller housed in the worktable.

A front mounted pressure bar, for either calibrating or finish sanding, has a flexible levelling device to ensure planing regardless of surface irregularities. An adjustable rear mounted pressure bar prevents vertical shifting of the workpiece.

Available with automatic or manual control, the machine can handle workpieces up to 1,200 mm wide. Two feed speeds of 7 and 14 metres/second are provided on the standard versions. Marketing in the U.K. is by Interwood, Stafford Avenue, Hornchurch, Essex RM11 2ER (Hornchurch 52591).

● TEXTILES

Speeds the cutting

FABRICS are made in continuous lengths and inevitably these have to be divided into cut lengths of various sizes. Normally a material—which may be a light curtaining, heavy blankets or even carpeting—is taken through a cutting system and, at a preselected point a cutter runs across its width and cuts off the amount required. With existing systems the speed at which this is done is usually only at about 10 cuts per minute.

Now, a new system has been developed by John T. Hardaker, (P.O.B.35, Bradford BD4 8ST) are claimed to be possible. The secret of this rests in the fact that a twin-bladed rotary cutter makes a cut first in one direction and then makes a second cut in the opposite direction. It does not have to return to the side from which it started before making another cut.

This is an addition to the Hardaker system of mechanically handling all types of textiles. Linked with it the company has introduced special automatic folding units. By passing fabric through say two folders it is possible for four layers of material to be presented to the cutter.

After cutting, the fabric panels are draped on special hangers which will only accept a specified amount of material. Once full they carry the panels by overhead conveyor to the next work point and the empty hangers then return to the cutting unit to be re-used.

PARLIAMENT

TORIES DISPUTE RECOVERY PROSPECTS

BSC plans to break even, says Varley

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

BRITISH Steel Corporation is now planning to break even during the present financial year—a recovery to be compared with a loss on last year's working believed to be about £250m.

Mr. Eric Varley, Industry Secretary, outlining BSC's strategy for this purpose in the Commons yesterday, told MPs that there were good prospects of the Corporation being able to trade profitably before the end of the financial year.

"This year, BSC should be able to improve considerably on the 19m. tons of steel produced in 1975-76," said the Minister. "There should be a modest increase in home sales, but a big gain in exports."

With Government policy for the industry under heavy criticism from Mr. Michael Heseltine, shadow Secretary for Industry, Ministers maintained their optimism over BSC's prospects.

Mr. Varley, introducing the Iron and Steel (Amendments) Bill to increase the borrowing powers of the Corporation, assured the House of Government co-operation in the plans for the advancement of the industry.

The Corporation had to be provided with financial support in order to "ensure the future success of a vital part of our industrial economy," said the Minister.

"The main purpose of this Bill is to raise the statutory limit on the amount of external finance which the British Steel Corporation and its wholly owned subsidiary can raise by borrowing by receipt of public dividend capital."

Mr. Varley pointed out that when the borrowing limit was raised to its present level of £2bn., the Government had said that a further increase was likely to be required at about the present time.

"The present limit, taken together with the Corporation's internal cash flow, will not be sufficient to meet the cash needed because of the scale of modernisation and expansion of the industry."

The Minister said that if the limit were not increased the Corporation would run up against its present limit by the autumn. But if the House approved the amount proposed in the Bill this should last the Corporation for up to three years.

Mr. Varley said the Bill provided for an immediate increase of the borrowing limit to £3bn. and allowed it to be raised to a maximum of £4bn. subject to approval of the Commons. The Bill further proposed the updating of requirements relating to the ways in which the accounts of the Corporation were presented.

"Steel is one of the basic requirements of our engineering industry. Nearly half our total exports contain steel in one form or another," said the Minister. "In bringing forward this Bill, we are showing our continued support for the programme of capital investment which the Corporation is undertaking.

"We consider that it is vitally important for the BSC to press ahead with this programme—important to our balance of payments." The health of the steel industry was vital for employment, for regional and social reasons and for the U.K. plant and equipment manufacturers.

Potential

It would be completely unrealistic to expect to be able to build new productive capacity on the scale required by the industry without being competitive and the Government was facing up to this, Mr. Varley contended.

The replacement of new investment could not be achieved without "competitive manning levels." Without such levels the Corporation would have no chance of competing and this was recognised by the trade unions.

Restructuring and modernisation was now well under way. Profitability had to be restored to "realise the potential of the very considerable resources which the Corporation has to deploy."

Mr. Varley said the sales volume had to improve and customers had to be reassured that delivery dates would be met and that there was a good chance of becoming profitable by the end of the year. "The Government is committed to giving the Corporation and the industry as a whole the support it needs."

For the Opposition, Mr. Heseltine claimed that if the management of BSC had been acting under commercial disciplines there would have had to be a detailed corporate strategy to satisfy this investment.

There was none because the Government had not insisted on it, and they would not have been able to appraise it if they had insisted on it.

The only reality for everyone in the BSC and the only mandate they had from the Government, was: "Let us know how you get on and we'll do our best to meet the bills." No one in the Corporation knew what was expected of them.

"The only certainty is the inevitable certainty that the taxpayer, or the Government, will end up paying the bills."

Mr. Heseltine added: "There is no way the modernisation programme is going to be carried through by this piece of legislation, which is wholly inadequate. The likelihood is that we shall see a loss in the next financial year as well as the one just ended."

The modernisation programme would end up costing somewhere between £8bn. and £9bn. by the end of the decade.

"I believe that, in its handling of negotiations with the unions, the Government has made it less likely that we will see the modernisation for which Sir Monty Finniston has devoted most of his career to achieving."

Mr. Richard Wainwright (L., Colne Valley) said it was lamentable, especially when the financial world was looking askance at the British economy, that so little reason should be given for appropriating to one particular industry, albeit an important one, a vast share of national resources.

Over the past 18 months, MPs had been asked to vote vast resources for industries which had very strong political overtones, and to which votes were directly attached.

It was the misfortune of some things under the present deplorable, primitive political system, to become political totems. "A vast appropriation of public resources would not have been required if the British Steel Corporation had been allowed by successive Conservative and Labour Governments to go ahead on a reasonable commercial basis."

Pay talks going well, says Minister

BY PHILIP RAWSTORNE

GOVERNMENT negotiations with the TUC on the next phase of pay restraints were "going well," Mr. Joel Barnett, Chief Secretary, Treasury, told the Commons yesterday.

"The present decline in the pound is, in our view, overdone," he declared.

But the markets had been nervous about the outcome of the negotiations which he recognised would be critical to the Government's economic strategy, and its efforts to cut the rate of inflation.

"At the end of the day, we shall only have a strong currency if we have a strong economy," Mr. Barnett said, dismissing suggestions from Labour Left wingers that the run on the pound had been due either to "hot money" movements or to speculation by London dealers.

Sir Geoffrey Howe, shadow Chancellor, demanding a statement on the sterling situation, said that the continuing decline in the value of sterling had caused "deep concern" in the country.

"We are, for that reason, most anxious that the nervousness created by the present series of talks with union leaders should be brought to a speedy, realistic and sensible conclusion at the earliest possible opportunity," he said.

MR. JOEL BARNETT
"Decline in the pound is overdone."

Urging the Government to change its central economic policy to allow resources to shift back into profitable industry, Sir Geoffrey said that Ministers should stop behaving as though they could overcome the country's problems by borrowing £1 out of every £5 they spent.

Mr. Barnett retorted that the Government's policy stood a better chance than the Conservatives of securing a successful agreement with the unions. "Negotiations are going very well and we do anticipate that they will come to a satisfactory conclusion," he added.

Mr. Norman Atkinson, Left-wing Labour MP for Tottenham, claimed that the latest run on sterling had been caused by London dealers "unloading" the currency to pressurise the Government into a 3 per cent. deal with the unions and to reverse the policy of reducing interest rates.

And Mr. Eric Heffer, former Industry Minister, called for an inquiry into the "ridiculous situation" in which "hot money" was allowed to flow into and out of the country.

"I do not believe that this is the real and central issue that faces this country," Mr. Barnett replied. "It is not hot money or speculators that are the cause of our problems.

"The real problem is the central economic one. It is no good going off into side issues."

Real point

The rate of inflation had to be reduced, he declared—and the figures were encouraging.

Mr. Enoch Powell suggested that the fall in the exchange rate did not represent a decline in our real terms of trade and could not itself be a cause of inflation.

"The present decline in the pound is, in our view, overdone," said Mr. Barnett. "That is the real point. But at the end of the day we shall only have a strong currency if we have a strong economy. The Government's economic policies will bring us to that situation."

Mr. John Pardoe, the Liberal spokesman, accused both Labour and Conservative Governments of "chasing economic will-o'-the-wisps. The world needs a reassurance that this country knows how to govern itself," he stated.

"The world does recognise that, providing we get a satisfactory agreement with the trade unions and bring down the rate of earnings and price inflation, then we are on the way to getting the economy right," Mr. Barnett replied.

And he brusquely rejected demands from Mr. Peter Hordern (C. Horsham and Crawley) for immediate public expenditure cuts. "If we pursued the policies you and Conservative leaders are suggesting, the outcome would be disastrous," he declared.

Dell hopes for voluntary car imports limit

BY JOHN HUNT

MR. EDMUND DELL, the new Secretary for Trade, has had a meeting with the Japanese Ambassador, Mr. Tadao Kato, to discuss the high level of Japanese car imports into Britain.

During the discussion, Mr. Dell emphasised the need for meaningful voluntary limitations on Japanese car imports and also expressed concern at the comparatively low level of British car exports to Japan.

The Secretary of State told MPs about the meeting when he faced criticism from both sides of the Commons yesterday over the growth of Japanese car penetration in the British market. MPs again demanded import restrictions on foreign cars, but Mr. Dell, stressed that the Government still believes that voluntary agreement is the way to tackle the matter.

Mr. Hal Miller (C., Bromsgrove and Redditch) wanted him to have further talks with the Japanese Government and Japanese motor industry "in the light of the number of Japanese cars registered in the U.K. in the first quarter of 1976."

He was not reassured when Mr. Dell told him that there were no plans for talks with Japanese Ministers but the British motor industry was in contact with its Japanese counterpart.

Mr. Miller said that Japanese imports were now running at a level of over one quarter of total imports which were over one-third of the cars registered in this country. He asked Mr. Dell to state his attitude towards the possibility of import controls.

Mr. Dell replied: "This is a serious matter. I have already met the Japanese Ambassador for a discussion on trade between our two countries. In the course of that discussion, we considered the question of cars."

MR. HAL MILLER
urged further talks with Japanese.

Talks were going on between the SMMT and the comparable Japanese association and he hoped this would result in an understanding on the level of imports from Japan. "I would prefer it to be dealt with voluntarily if we possibly can."

A leading Left winger, Mr. Dennis Skinner (Lab., Bolsover) maintained that the value of car imports into Britain was running 25 to 1, in Japan's favour. Even if we were to reduce the ratio to 10 to 1, the Japanese would still have a big surplus in the trade. In these circumstances, he wanted to know why we should fear retaliation if we were to introduce import controls.

Mr. Dell told him: "I did express to the Japanese Ambassador my concern about the level of British car imports to Japan. I am sure he took note of that."

Mr. Raphael Tuck (Lab. Watford) suggested that the Secretary of State should persuade MPs to buy British cars. In view of the heavy import of Japanese vehicles he wanted to know what retaliation Japan could make if import controls were brought in.

Mr. Dell agreed that MPs should note his point about buying British. But it was not just a question of restraining Japanese car imports.

In the first three months of 1976 there had been a fall in the percentage of Japanese cars imported. But the U.K. car industry had not taken prime advantage of this. Instead, the gap had been filled by an increase of car imports from other countries.

Therefore, it was of the highest importance that the British car industry should become sufficiently competitive to take advantage of any voluntary restriction of foreign car imports.

According to Mr. John Pardoe (L., Cornwall N), the British motor industry should stop belly-aching about Japanese imports and study the way the Japanese had taken over our traditional markets in Africa and South America.

MP seeks legislation on secondary banks

THE GOVERNMENT was urged yesterday to legislate to "stop once and for all" the activities of secondary banks such as London and County Securities Group.

The call came from Mr. Dennis Skinner (Lab., Bolsover), who asked what further action was proposed by the Trade Secretary (Mr. Dell) after publication by his department of a report on the company, which crashed in November 1973.

Mr. Stanley Clinton Davis, Trade Under-Secretary, said there was a case for stronger control over secondary banking activity.

Mr. Skinner, referring to London and County, said: "This rather sordid affair cannot be officially cleared up until Gerald Kaplan, one of the chief culprits, is rounded up and can be fully interviewed and explain his actions, as well as those of his colleagues, the other directors of the Board."

He added: "It is worth noting that at present, despite the rescue of the secondary banking system, we are again seeing in all the City columns, the spawning of other secondary banks urging people to invest their money. We should have some legislation to stop this practice once and for all."

Mr. Davis said possible prosecution of Mr. Kaplan was a matter for the Director of Public Prosecutions and the Attorney General.

On the supervision of secondary banking, he said that the comments and recommendations of the inspector who looked into the company's affairs had been carefully noted. "Preparations for the amendment of the Protection of Depositors' Accounts Regulations, 1963, are already in hand."

Drink and driving

THE Blennerhassett Report on Drink and Driving will be published to-morrow, Dr. John Gilbert, Transport Minister, said in a Commons written reply yesterday. He added that the report was being published to allow a full public discussion before the Government reached any conclusion.

SNP accused of trying to stir discontent

THE Scottish Nationalists were yesterday accused of telling lies in claiming that a separate Scotland would have a healthy balance of trade surplus.

The attack came from Mr. Dennis Canavan (Lab., W. Stirlingshire) who said the claim was "just another example of Nationalist lies to try and stir up discontent among the people of Scotland."

Mr. Edmund Dell, Trade Secretary, said figures showed there was a substantial Scottish balance of trade deficit. He warned MPs that the improved March trade figures could not be expected to be typical. But with our exports increasing, and an expansion in world trade, he hoped that this year Britain would do better than last.

Mr. Terence Higgins, shadow Trade Secretary, said the Government had been "playing with interest rates like a yo-yo." This had a destabilising effect on the exchange rate and was bound to produce an uncertain balance of payments figure for the rest of the year.

LABOUR NEWS

Three per cent. pay deal rejected by USDAW

BY IAN HARGREAVES IN BLACKPOOL

THE FIRST major trade union conference of the year yesterday rejected by a large majority Mr. Denis Healey's three per cent. pay proposal.

The traditionally moderate Union of Shop, Distributive and Allied Workers, which has 380,000 members, accepted an emergency resolution rejecting the Chancellor of the Exchequer's proposed deal on the grounds that it would "not assist low paid workers, many of whom are USDAW members."

The resolution concluded with an instruction to the union executive council "to join with other unions in making it clear to the Government that the kind of wage restraint put forward by the Chancellor is totally unacceptable to trade unionists."

Lord Allen, USDAW general secretary, told delegates that the executive would back the emergency resolution but in doing so wanted to make it clear that the final paragraph did "not line us up with all the dissidents in the trade union movement who want to knock the Government."

The record of the Government and the personal performance of the Prime Minister in his address to delegates on Sunday were central subjects of controversy in a 3½-hour debate.

Mr. John Dilks, the Derby and Burton co-operative delegate, who proposed the motion against 3 per cent., accused Mr. Callaghan of offering "stale argument" in his Blackpool speech.

Although agreeing that the TUC was right to negotiate with the Government on pay, Mr. Dilks said the Government must offer more, not only in terms of cash but in measures to relieve unemployment, restoration of cuts in social services and education and in price controls.

"We don't want any kind of con trick like Price Check. What we want is real prices control." Only on these terms could the Government expect support.

However, the union's characteristically moderate voice was fully asserted in votes on a further eight motions on wages and conditions. A demand for a return to free collective bargaining, coupled with the resignation of the Government, received virtually no support.

Other militant attacks on the Government were also heavily defeated. Only a demand for selective import controls and a strengthened National Enterprise Board was successful.

Earlier in the day, Lord Allen, who is also chairman of the TUC's economic committee, introduced the wages debate with a warning that the new TUC-Government package must be simple if it was to be fair and effective.

Accepting the need for some restoration of differentials in the new agreement, he challenged the wisdom of applying pay increases to groups of workers rather than making straightforward additions to basic rates. Group settlements would give scope for negotiation but there would always be a suspicion of irregularity even if none had taken place.

"I challenge those who are advocating the group approach to say how they would monitor pay settlements and how they would convince other trade unionists that the spirit as well as the letter of the policy was being followed."

The same problem would apply if productivity elements were incorporated into the new agreement: phoney deals would be used as a means of prising a way through the policy. Simplicity, as in this year's £6 settlement, was vital.

"The TUC will lay down guidelines which, if simple, will be followed, and if complex, probably will not be. No vetting will take place because the Department of Employment will not be seen as acceptable; as the TUC have neither the resources nor deterrents that they are willing to use, nothing effective will be done there either.

"We as a movement are at a turning point in our future. We have asked for consultation and responsibility. We have been given it. What I ask now is 'Are we big enough to carry it?'"

Lord Allen also took the opportunity to back the TUC's line of continued food subsidies. Control of prices was particularly important in the nationalised sector, where pegging of transport and fuel costs would bring immediate and substantial benefit. In addition, he put the case for an overall manpower policy to match jobs with workers and reduce unemployment.

Unanimous support for closed shops

By Our Labour Staff

DELEGATES to the USDAW conference yesterday voted unanimously for closed shops in all future agreements.

A single motion noted with regret the number of "free riders" who benefited from collective agreements without paying union contributions. It requested that the executive council "insists on the closed shop in all agreements."

One delegate estimated that USDAW's membership would be 1m. against its present 380,000, if closed shop agreements existed as of now.

The union has recently announced its negotiation of the first closed shop agreement in multiple retailing, with John Foster Menswear.

Mr. Jim Hughes devoted much of his presidential address to the theme of 100 per cent. membership agreements. Unions were only seeking the right which existed prior to the 1971 Industrial Relations Act.

Lord Allen said that employers must be forced to see that shop workers had as strong a case for closed shops as craftsmen and production workers. However, closed shops would not necessarily be an immediate and outright condition of negotiation with employers, but it would be a long-term aim in all areas where USDAW was active.

Ashley Ashwood

Mr. Albert Booth, the Employment Secretary, arriving for yesterday's meeting of the TUC-Labour Party liaison committee which reviewed the social contract.

'Spy in cab' opposed by Jones

By Our Labour Staff

STRONG opposition to the "spy in the cab" tachograph monitoring system in road haulage lorries came yesterday from Mr. Jack Jones, general secretary of the Transport and General Workers Union.

Mr. Jones, speaking to the Freight Transport Association in London, said there was no case for the tachograph monitors within "our system of collective bargaining control."

The tachograph monitors are mounted in the driving compartment of lorries on the Continent as a means of checking the progress of drivers and their lorries across Europe so that lorries of one country do not operate to the disadvantage of national haulage companies.

Conversion of U.K. lorries to this system would cost about £200m., said Mr. Jones, and was entirely unnecessary given the isolation of Britain from the rest of Europe.

Cowley workers end 'clock-on' strike

BY OUR LABOUR STAFF

LEYLAND CARS management yesterday agreed to re-employ two men whose dismissal for clocking-on offences led to a strike by nearly 4,000 workers at the Cowley assembly plant last week.

The strikers voted to return to work at a mass meeting early yesterday morning after being told that the dismissals had been withdrawn and the two men suspended pending further talks.

A plant conference held immediately after the return to work agreed that instead of losing their jobs the men should be suspended for three days. Friday, the day of the strike, will count as part of the suspension and when the two men return tomorrow they will be re-employed in another part of the factory.

At the Rubery Owen components plant at Darlaston, West Midlands, 32 drivers involved in a dispute over lay-offs returned to work yesterday, but Leyland production is still threatened by a strike of 50 welders at the plant and an overtime ban by all 2,000 production workers.

The welders' action is preventing the recall of 2,000 Jaguar workers laid off last week while the overtime ban will, unless settled, eventually hit Mini output at Longbridge.

Talks on the welders' action—they are, like the drivers, protesting against lay-offs before Easter—will take place to-day.

NUJ backs sanctions

BY ALAN PIKE, LABOUR STAFF

THE NATIONAL Union of Journalists' executive yesterday decided by 17-0 to reaffirm support for its Barnsley branch in seeking to impose sanctions on four former members who now belong to the Institute of Journalists.

The branch has told local Labour Party and trade union organisations that the four journalists, employed by the Barnsley Chronicle weekly newspaper, are no longer NUJ members and asked them to consider this when dealing with them.

Sir Harold Wilson, then Prime Minister, told the Commons last month that he did not approve of the action. Following this and an appeal from Mr. Michael Foot, then Employment Secretary, the NUJ executive agreed to reconsider a decision taken last month to endorse the Barnsley action with a declaration that it did not constitute a threat to Press freedom.

New bid to merge rail unions

BY DAVID CHURCHILL, LABOUR STAFF

MOVES TO create one union for the rail industry will be debated by delegates of one of the three rail unions, the Transport Salaried Staffs' Association, at its annual conference in Scarborough next month.

This follows an attempt last year by the National Union of Railwaymen—the biggest rail union—to bring together TSSA and the Associated Society of Locomotive Engineers and Firemen under a federal structure.

The aim of a merger would be to offer a united front when dealing with British Rail over pay and manning levels. The three rail unions are especially concerned about the future of the industry following the recent Government consultative document on the transport industry which advocated a run-down of rail services.

Previous attempts at a merger, however, have failed because of bitter rivalry over which union should have the dominant voice.

Accordingly, the TSSA conference motion makes clear that a merger would provide the "fullest self-protection of members." The motion also calls on the executive to press for a merger as a matter of urgency and to seek partial amalgamation if a full merger proves impossible.

Fears of redundancy and unemployment in the rail industry have also resulted in several motions criticising the Government's economic policy. Delegates will be asked to support motions calling for an end to cuts in public expenditure, and a shorter working week and early retirement as a means of cutting unemployment. One motion calls for industrial action in support of this opposition, includng a refusal to collect fare increases.

Other motions call for worker participation on the British Rail Board and at all levels in the industry.

Delegates at national industrial conferences of the Electrical and Plumbing Trades Union at Scarborough next month will also be asked to debate several motions expressing concern over unemployment and redundancies.

The union's engineering industrial conference will debate a five-point plan for combating unemployment. This plan includes control of investment flows, reduced overtime, "realistic" craftsmen / apprentice ratios, early retirement and "full mobilisation" of the union's resources when redundancies are announced.

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Tuesday, 11th and Wednesday, 12th May, 1976

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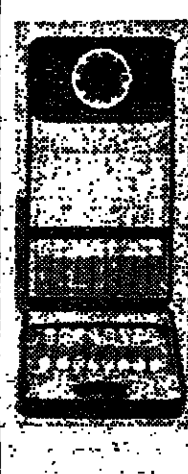

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e Executive's World

EDITED BY JOHN ELLIOTT

vernment has just appointed an
ng Committee to prepare for
isation of the aircraft industry.
Donne looks at the managerial
unical problems it faces

Members of the organising committee (from the left), Lord Beswick, the chairman, Mr. Allen Greenwood, Mr. G. R. Jefferson, Mr. Eric Rubython, Mr. J. T. Stamper, Mr. Leslie Buck, Dr. Austin Pearce.

bid for central control with divisional autonomy

THE aerospace Bill still has o before becom- rst six members ng Committee to have just been er the chairman- swick. Over the s, they will have ge of issues, in g an operational mooth take-over on Vesting Day. t September or

onal plan will a structure for swing smoothly the appointed authority for industry's cur- orce of nearly eight airfields ore of factories. take-over will of shipbuilding e same Bill) in ewer companies owever, it could ilt, because of monise different nancial control now used. British Aircraft Corporation is already a major group in its own right (although jointly owned by Vickers and GEC) ,with its own divisional structure, whereas Hawker Siddeley Aviation and Hawker Siddeley Dynamics are parts of the big Hawker Siddeley Group, and Scottish Aviation is part of the Laird Group.

In addition, the aerospace Organising Committee is only at the start of its work. Its confidence and authority will grow as nationalisation moves closer to the Statute Book, but at present the Committee will gain most ground by using tact and persuasion, especially with some in aerospace management who are not yet convinced that nationalisation is inevitable.

The first six appointees, who *will certainly be joined* by others in the near future, are Mr. Allen H. C. Greenwood, *chairman of the British Aircraft* Corporation; Mr. G. R. Jefferson, chairman and managing director *of the BAC's Guided Weapons* Division; Mr. Eric Rubython, director and general manager of *Hawker Siddeley Aviation*; Mr. J. T. Stamper, technical director of HSA; Mr. Leslie Buck, presi*dent of the Confederation of* Shipbuilding, and Engineering Unions, and Dr. Austin W. Pearce, chairman of Esso Petroleum.

Probably the most immediate task of this Organising Committee *is to reassure the aerospace* industry and its many overseas customers that nationalisation *will not mean decimation*—although some rundown in the labour force may occur eventually, especially *on the civil* side—and that as far as possible all current programmes will be maintained and new ones started, especially on an international collaborative basis, where there *are real prospects* of commercial success.

In effect, this amounts to the *formulation of a long-term* strategy for the industry, especially for civil programmes. *The civil field requires decisions* more urgently than the military. This is because, as world *air traffic picks up, there is* likely to be a major re-equipment tide running through the *world's airlines in the latter* part of this decade, and the designs that will be on offer, *especially if they need inter-*national collaboration, will have to be determined at least *broadly over the next year or* so. Other countries, notably France and the U.S., are work*ing hard on this issue already*, and the U.K. industry cannot stand by and wait until nationalisation is implemented *—or abandoned if the legislation* fails to pass through Parliament —before deciding, at least in *broad terms, what it is going to* do and how it is going to do it.

To this end, Lord Beswick has already asked the BAC and HSA to prepare a working paper to help him and his committee decide where there are any conflicts of view or interest on future civil programmes, and how to harmonise them. For example, BAC has plans for a new derivative of the One-*Eleven short to medium haul* jet, while HSA has similar ideas for a derivative of the Trident. *Both cannot suc*ceed, but there may be room for one of them, and it will be up *to the Committee to decide* which, so as to ensure that in any future international col*laborative councils the U.K. can* speak with a coherent voice.

The military side is less press*ing, largely because there are* several major programmes either already under way, such *as Jaguars and Harriers, or* about to be ordered into quantity production—such as *the Tornado Multi-Role Combat* Aircraft (MRCA)—that will keep the factories busy for a *long time, in addition to several* major existing and new missile programmes. The military workload, therefore, is currently extremely heavy. Ultimately, new developments in the military sphere will require decisions—*the Jaguar/Harrier* replacement, for example, for the mid-to late 1980s, will have to be *largely settled by the end of* this decade—but these decisions are far enough ahead not to be *an immediate problem for the* Committee.

Willingness

Apart from this kind of policy thinking, the Committee will have to concern itself with much more mundane, but nonetheless vital, aspects of the management structure of the eventual British Aerospace Corporation. The Committee is required to have its "operational plan" ready for submission to the Secretary for Industry in advance of Vesting Day, so that he knows that he has a viable, functioning entity into which he can transfer the assets of the industry acquired by the State. *It may seem to some that the* Committee is working in a vacuum—while most *people in* the industry now believe that nationalisation will come to pass, no-one can be certain of it.

This situation will change, however, as the Bill moves closer to becoming law. Inexorably, the authority of the Committee will strengthen, along with the growing willingness of many in the industry to work with it. The four industry representatives on the Committee are already so senior in the managements of their own companies that there are *unlikely* to be any interim attempts by those managements to sabotage or otherwise interfere with their efforts to produce the blueprint for the smooth takeover that is necessary. It is significant that even over the first few months of this year many in the industry have changed their attitudes to nationalisation.

There is a growing conviction that even without nationalisation, there would have to be some substantial rationalisation in the industry, simply because of changes in world markets—fewer orders for a smaller number of more expensive *types of civil and military aero*planes and engines. The internal reconstruction of the *industry* cannot alter that trend, but it can make the U.K. more responsive to the needs *of changing markets and more* efficient in meeting those needs.

It is also probable that, if *nationalisation had not resulted* in the formation of the Committee, the need for rationalisation would have led to the setting up of some other ad hoc body of Government and industry representatives to consider reorganisation in the light of the changing world market. Recognition by the industry that the Committee is going to do what would have been necessary anyway, must add to the Committee's basic strength.

At present, the Committee is feeling its way. Exactly how it will go about its task is not *clearly defined. But already*, some broad intentions have been defined by Lord Beswick. It is clear, for example, that there will not be a wholesale restructuring of the industry overnight, once Vesting Day arrives. Nothing will be done to disrupt major on-going programmes, although perhaps some long-standing decisions to improve them may be taken (such as establishment of a Concorde leasing organisation to facilitate sales). Most likely, the existing structure will be retained for some time, although Lord Beswick has made it clear that there will be no vast "central office," dominating everything done on a day-to-day basis, but rather a small corporate HQ responsible for overall strategy, leaving the operational responsibilities to "divisions."

Just what kind of divisional structure will eventually emerge remains to be seen. It may take the form of establishing a military aircraft centre at one point, such as Warton in Lancashire (where the British Aircraft Corporation already has its military centre) and a major civil centre, say, at Filton, near Bristol, where Concorde is built, or at Hatfield, Hertfordshire, where Hawker Siddeley builds Tridents. Alternatively there could be a much more diffuse system, with "factory profit centres," each factory building parts for projects across the spectrum of aerospace, but responsible for making money in its own right. Both types of arrangement already exist in the industry, and it will be necessary to integrate them into one coherent structure.

Whatever structure emerges, it seems clear that there will have to be some run-down in the industry's labour force. Unless there is a major expansion in world civil and military markets, with the U.K. winning a major share, either alone or through internationally collaborative projects, it does not seem likely that the industry can sustain its present workforce of 200,000 or so. Because of the problems that any such run-down will entail politically, industrially and sociologically, the committee seems unlikely to move quickly on it, and certainly not until after nationalisation is an established fact and the way ahead more clearly defined.

In the meantime, it seems likely that the committee will restrict itself to the main considerations of long-term strategy in specific areas, such as the civil market, in assessing financial requirements (which will depend very much on the programmes to be undertaken), and in such areas as industrial relations and sales. The committee will not in any way become involved in the politics of nationalisation—for example, discussions about compensation. Lord Beswick has already indicated the need for a financial director, who will be appointed to the organising committee soon. *He already has the experi*ence of Mr. Buck, president of the Confederation of Shipbuild*ing and Engineering Unions, to* help him evolve a system of industrial democracy and worker *participation in decision-taking.*

'Think tank'

There may soon be further appointments in such areas as marketing, for some kind of central sales policy will be essential. There may also be some kind of "think tank" to analyse civil and military market requirements a long way ahead to ensure that the U.K. industry is always poised to meet new situations. But it is already clear that Lord Beswick is planning to rely considerably on the wealth of expertise already available to him in the various companies, supplementing it only where there is an evident gap. The overall central control of the industry will have to be firm in such areas as finance—for the industry will have to take its place in the queue for its share of Government cash resources—but the aim will be to ensure that the operating units will have a large measure of freedom to run their day-to-day activities, with the emphasis strongly on profit-making.

BOOK REVIEW: The anatomy of a merchant bank

Modern Merchant Banking, edited by C. J. J. Clay and B. S. Wheble, Woodhead-Faulkner, 7 Rose Crescent, Cambridge, price £3.25.

IN THE WORLD of finance one of the most misused terms in recent years has been "merchant banking." This is because large sections of the secondary banking sector, which grew repidly in the 1960s, but collapsed ignominiously in the 1970s, were deemed to be "merchant banks." They were thus bracketed with much older-established businesses such as Rothschild, Morgan Grenfell, Hambros and Hill Samuel. For the most part, however, the secondary banks provided a relatively narrow *range of services*, and operated under different principles, whereas the major merchant *banks have a very wide field* of activity.

It is therefore timely that Mr. Clay and Mr. Wheble should set out the facts of what a merchant bank, in the more accepted sense of the term, is really about. And what clearly emerges from their book is that merchant banking is about money and business management in a very broad sense. Long gone are the days when these companies were principally merchants doing a bit of banking for other traders to finance the passage of goods. Now, they are advisers on the way companies might best use their cash resources, as well as being themselves providers, in a limited way, or arrangers in a large way of sizeable amounts of finance.

Both the two editors are lifelong merchant bankers and Mr. *Clay has just retired as director-*general of the Accepting Houses Committee, whose membership *comprise the cream of merchant* banks. They have written only the introductory and more his*torical front section of the book.* Each of the following chapters has been written by a different merchant banker and the editors have welded the various contributions into a cohesive whole, free of particular opinion, practice or prejudice. The result is a very readable and instructive textbook which could be useful for those seeking merchant banking as a career as well as for others. Anybody in industry wanting to know, for example, the options available for short-, medium- and long-term finance or permanent capital would find it illuminating. An insight is given into the intricacies of foreign exchange, bullion dealing and commodity trading. Then there are the management services for investment and unit trusts and pension funds.

Unfortunately, however, the book has one failing. In their introduction, the editors emphasise their belief that only a member of the AHC can be a merchant bank. But in elaborating this belief and in explaining the special nature of an accepting house their explanation of what constitutes a merchant bank becomes rather confusing. Happily, this confusion is sorted out by the subsequent chapters and the reader is left with a lucid description of modern merchant banking.

Nicholas Leslie

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TUESDAY, APRIL 27, 1976

Edging closer to reality

THE TUC-LABOUR Party Liaison Committee is not, despite some widespread illusions which it has not done much in the past to dispel, the policy-making organ of the Cabinet, nor even a left-wing alternative to the Opposition. Its role, as guardian of the ill-defined social contract, is to preserve the common purpose between the Labour Party and the trade union movement which the Government tends to claim as one of its main sources of strength and its critics as its central confession of weakness. The issue is really a matter of who is influencing whom at any particular moment: and there was a welcome sign of some return of rationality in our affairs when the Committee threw out a long list of demands, ranging from the nagging to the absurd, in favour of concentration on a few questions which the TUC regards as of pressing importance.

Postponed

Some demands have simply been postponed to a more propitious time—the call for more funds for the National Enterprise Board, for example. Others are to be reconsidered: it is particularly welcome, for example, that the persistent demand for import controls has been shelved in favour of some fresh thoughts on what the Committee bafflingly calls the "external dimension."

However, even a short list of priorities has room for a good deal of nonsense, and what survives still seems to fall sadly short of meeting Mrs. Shirley Williams's call to the Committee to face reality. Broadly, the Committee wants to concentrate attention on pensions, prices and jobs—the issues which the TUC itself is pressing in its pay talks with the Government. While jobs and prices are obviously of concern to the unions, and pensions are of pressing interest to working men nearing retirement—and possibly premature retirement—these concerns lead to demands which are not reasonable.

The two realities which the trade unions still seem very reluctant to face is that a central aim of Government policy, as the Prime Minister has pointed out, must be to cut down our total demand on resources: and that within that total, more resources must be diverted to investment in future production and jobs. That means a cut in living standards, as the Chancellor—but not the Prime Minister—was frank enough to admit at the week-end.

The unions still seem to imagine that these realities can be warded off by regulation, or bought off with money printed by the Government. There is some flexibility on price controls, but not nearly enough: the unions seem to acknowledge a case for relaxing restraint in favour of companies which think that they can raise funds for investment from their customers through higher prices: but they have yet to understand that the real damage done by the price code is not so much to prevent firms financing investment as to remove the prospect of profit at the end of the process. This is simply a recipe for handing over the home market, in the long run, to imports, and making a reality of the ghost the Committee has temporarily laid.

Liaison failed

The rest of the programme amounts to a call for subsidies of various kinds—for regional investment, for training, for job protection, for pensioners, for food prices and for rents. It is a grim failure of liaison that the Government has failed to get over the central message of the White Paper on public spending, that the proportion of our resources spent in this way has got to be reduced. The Government has in fact only itself to blame: if the Chancellor's sense of priorities allows him to postpone necessary cuts until next year, he has no right to complain if the unions view the constraints on Government action in an equally lackadaisical way. It is time to say clearly that no demands for anything can be met unless there are higher taxes or matching cuts in other forms of spending: and more realistically, that the state of sterling and the revival of the economy mean that the timing has changed, and the cuts should start now. Only a Government facing reality can demand that the unions do so.

No clear verdict in Portugal

AS WIDELY EXPECTED, no clear winner has emerged from the Portuguese elections and there must be continuing uncertainty over how the country is going to be governed. This is so not only because of the inconclusive result of Sunday's poll but also because the formation of a new Government must, according to the constitution, in any case await the outcome of the Presidential election in two months' time. With the election results in, there may well be a move from the centre-right to instal a new, seventh provisional Government, reflecting voting trends, between now and then. But this could cause another constitutional crisis, which must be the last thing the country needs.

National unity

The results show that the expected swing to the right has not wholly materialised. The centrist Popular Democrats, with just under a quarter of the vote, have lost a little ground, while the rightist Centre Democrats have doubled their poll from 7.6 per cent. they secured in the elections for a constituent assembly a year ago. But the two major left-wing parties have still managed to hold around 50 per cent. of the total, with a drop in Socialist support to 35 per cent. offset by an unexpected increase in the Communist vote from just over 12 to around 15 per cent.

Dr. Mario Soares, the Socialist leader, has thus failed to reach his 42 per cent. target, which he thought would enable him to form a single-party Government in comfort. But he remains in an extremely strong position. The new President, whoever he may be, is required to send first for the leader of the largest party, so Dr. Soares seems bound to have a chance of forming a Government. He has rejected any form of coalition, in the sense of a direct link with one of the other parties, for example the Communists. But he does not appear to be ruling out a Government of national unity that would embrace the entire political spectrum.

The problem is that this is going to be remarkably difficult to put together. The Communists are not going to want to join a Government that includes the right-wing parties—although they might conceivably be persuaded that a broadly based regime was at least a lesser evil than a uniquely centre-right one—and the Popular Democrats have already said that they will not share power with the Communists.

The alternative is either a Socialist minority Government with tacit Communist support, which is clearly not what Dr. Soares wants, or a minority Government that might be unable to govern, with the threat of a new political crisis. In that event, it is not at all clear what would happen. The new President, who is likely to be an army man, could call on the leader of one of the centre-right parties to form a Government, or the Parliament could itself be dissolved if a Soares Government fulfilled constitutional provisions by having itself voted down three times in 90 days.

Great dangers

Either outcome would prolong the present climate of instability. It is hard to see how new elections would solve the problem. On the other hand, a centre-right coalition could well lead to a resurgence of left-wing militancy. If pressure from the left is to be channelled through normal democratic processes, it seems undeniable that the Socialists should be strongly represented in any new Government.

The dangers are great. The country's current President has already warned that a deadlocked assembly could unleash civil war. It would certainly increase the chances of a return to total military rule, with the possibility of a coup d'etat from either right or left. Portugal needs a strong Government to solve its increasingly pressing economic problems. But it is not at all obvious that one is going to emerge from Sunday's voting.

A Little Neddy forecasts a rise in new engineering orders this year. An analysis by **Kenneth Gooding**

A sharp look at the prospects for mechanical engineering

THE true story of the "accountant who never was" shows how the so-called "cult of cash flow" has found some of its most fervent followers in the engineering industry. The tale involves a subsidiary of a very large group. When chased by a supplier who had not been paid at the promised time, the company replied by letter: "We are sorry for the delay in payment but you will no doubt have heard that our chief accountant Mr. Abernathy died suddenly three weeks ago and it is taking some time to get our accounts up to date as a result."

Later, acting, as they say, on information received, the supplier dug a little deeper. He found that there never had been a "Mr. Abernathy." He had just been invented by a finance director who was under instructions to husband his ready cash for as long as possible.

This is perhaps one of the most complicated ploys yet used. Most engineering companies still rely on less sophisticated ruses. "My cheque is in the post" remains the most commonly used lie although one supplier of engineering components was told recently, when asking for cash owed to him, "I was about to write the cheque when my pen ran out of ink. What with one thing and another, I just didn't get around to it."

These are the realities behind the formal prose of the latest short-term trends forecasts from the mechanical engineering "Little Neddy" which commented: "The liquidity position of industrial and commercial companies has been improving throughout 1975, but remains tight by comparison with the same period of earlier demand cycles."

The forecasts were remarkably optimistic in tone, suggesting that new orders for the industry would rise 15 to 20 per cent. this year from the very depressed levels at the end of 1975.

Backed to the hilt

It seemed a good idea to test some of the suggestions in the "Little Neddy" paper with the people who are actually at the sharp end of the industry. The ideal opportunity was available because, only a couple of days after the forecasts were published, the Engineering Industries Association held one of its exhibitions—in Brighton. More than 80 engineering companies from all parts of Britain were represented but, in keeping with the membership of the EIA most of them came into the "small" category.

The testimony of the managers at that exhibition provided ample support for the assertions made in the "Little Neddy" report.

For example, the "Little Neddy" said: "Companies from a number of sectors of the industry report an increasing number of enquiries though firm new orders remain at a low level. This evidence does, however, point to some small rise in new orders in advance of the major upturn."

That comment was backed to the hilt by the managers at Brighton. One supplier of precision components said that he keeps a ten-week "rolling" enquiry book and enquiries had been going up steadily since last August. But there was very little translation of enquiries into firm orders.

Another manager, this time from a castings business, put it in these terms: "Customers are asking more and more for quotations. They used to give orders, now they ask for quotations. There is a great deal of shopping around because it is very much a buyers' market at the moment."

The most pessimistic view about the situation came from the man who suggested that enquiries were being artificially generated by people desperately trying to justify their salaries. "We know that most redundancies are on the staff side these days. I feel many of these enquiries have nothing more behind them than a man trying to keep hold of his job."

Be that as it may, the "Little Neddy" paper is already looking ahead at the problems the engineering industry knows it will automatically face during the next upturn in demand.

"Recovery is now under way in most advanced industrial countries," it says. "Official forecasts tend to be more optimistic than surveys of business opinion about the likely momentum of upswing. This will be largely determined by the extent and timing of the reversal of consumers' recent high propensity to save. No more than a return to average levels of saving as confidence returns would bring a substantial boost to activity and could lead to the emergence of bottlenecks and capacity constraints in many markets."

The fervent hope among the engineers at Brighton was that the U.K.'s recovery will not take place at high speed. "When that happened last time people panicked. There was double ordering, triple ordering. Order books were overfull, the quoted delivery times were simply ridiculous. Foreign competition was encouraged to come in as a result and it has not been easy to shake it off," commented one raw materials supplier.

For many of the engineering component companies the problem of getting enough skilled men to meet the demand they hope is on the way remains of paramount importance. As the "Little Neddy" pointed out: "Skilled labour shortages were still mentioned by 17 per cent. of companies as a constraint on output in the CBI Industrial Trends survey for January, second only to shortage of orders."

Typical of the situation among small engineering companies is the specialised component supplier who maintained that this recession, by far the deepest for the industry in living memory, was the first to have any effect on his company since it was set up 25 years ago. "As overtime has fallen off the employees have naturally become worried and left when they could. I know I will not be able to get them back when I need them."

Like others in the engineering sector he is puzzled and perturbed that so many of the people who left his company also left engineering—and for good. One skilled turner left to take a job as a porter in a local mental hospital. He said at the time: "The people are odd, the hours are odd. But I don't have to worry about keeping my job."

That is just one example of how the extreme fluctuations in demand which hit engineering cause dismay and uncertainty among employees, many of whom decide to get out and find another industry which promises a more stable atmosphere.

Rates of pay also play a part, of course. The same company lost another skilled employee who was offered £75 a week as a bread roundsman, plus commission.

The "Little Neddy" report was optimistic about the prospects of any further drain of manpower from the industry. Although 39,000 left over the year to November 1975, this was a fall considerably below that experienced in the previous demand "trough." "Despite the tight financial situation, companies appear to have been anxious not to repeat the 1971-1972 experience of dismissing labour which they would need again in the next upturn and then find difficult to attract back." There should be only a small further decline in employment in the industry during the rest of 1976 after which it should level off, the report suggests.

The forecasts were prepared in mid-March before the recent dramatic decline in the value of sterling. The feeling at the National Economic Development Office is that even this decline has not restored mechanical engineering products to the 1973 position when they were much cheaper than those from major world competitors.

And at Brighton it was possible to find instances of how the engineering industry loses just as much as it gains from the weakness of sterling. Certainly one castings maker was hoping to wrap up a nice, fat order from a French group which planned to switch from its previous West German supplier simply because the U.K. products looked so cheap. Another company complained, however, that its prices were being forced smartly up because it uses zinc, the price of which is now tied to the U.S. dollar exchange rate.

The "Little Neddy" asserted we could now expect some rise in new orders from the home market in 1976 because "of the progressive extension of Government measures to encourage the bringing forward of new investment" — among other factors.

Many of the companies at Brighton were too small to benefit from the Government schemes—even though the cut-off point for eligible investment projects has been brought right down to £50,000 and the Department of Industry has said it is willing to consider plans involving even less than that.

Even so, there was enough evidence to show that the offer of cheap money, although welcome, does not necessarily outweigh the problems that the demand cycle creates for investment.

There was the case of the company which bought a £50,000 press to enable it to cope with the next peak demand period because the new machine could replace some of the skilled men who had left. Without that investment the company could have weathered the current recession. Now the press stands "moth-balled" and is draining the company's resources so much that the management is for the first time wondering if they will survive until the upturn. They will take a lot of persuading to adopt anything but a "play-it-safe" attitude in future. So there is to be no investment from now on.

Then there was the foundry which wanted to put in anti-pollution equipment, a socially desirable move which would also allow it to meet the legislation currently in the pipeline. However, installation of the equipment meant raising the height of the foundry chimney. The local authority refused the necessary planning permission. So there is to be no investment at that foundry.

Bumping along the bottom

Undoubtedly the main point in the "Little Neddy" review was the one about the timing of the revival in demand: "The main upturn in new orders fo[r] mechanical engineering pr[o]ducts still seems likely to co[me] towards the end of 1976 or ea[rly] in 1977, as we first forecast [in] our October report. We pr[e]viously expected orders [to] 'bump along the bottom' of t[he] trough until then. There are now indications of a gradual pick-up occurring through 1976. We expect the main increase in demand to come from producers of consumer goods (including cars) and intermediate products and in the U.K. from the major exporting industries," it maintained.

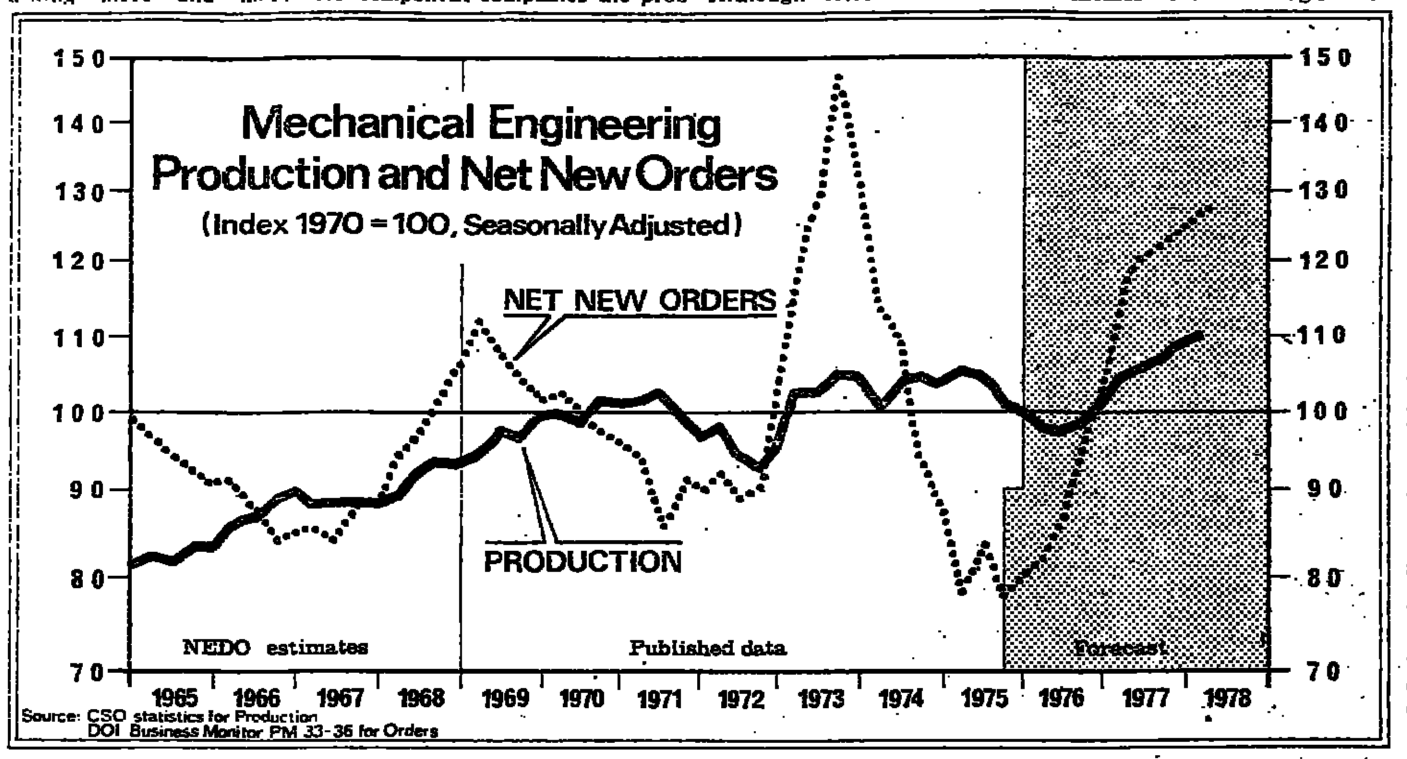
The news from Brighton was that, whereas a couple of months ago engineering companies would refer to the forecasts about a revival early next year without much conviction, now nearly everybody seems to believe it actually will happen.

There was the stockholder of special steels who has seen some false dawns over recent months because de-stocking in the recession had gone so far that it was not possible to tell, when a customer came in with a good order, whether he was simply rebuilding stocks or whether he had won new orders. "But now our machine tool customers are certainly looking busier and we consider this to be one of th[e] main indications that the upturn is on the way."

A supplier of engineers' to[ols] reported that business had be[en] much better in the past weeks. "We feel we have [passed] the bottom. Re-tooling and purchase of new tools seeing have started and that is a the first sign of the upturn on its way."

Perhaps the most hear[tening] aspect of this rather hap[hazard] exercise was that those [com]panies with a broad expe[rience] of engineering activity i[n the] U.K. were more optimistic [than] the organisations that ha[d a] relatively narrow area [of] activity. For the indications [of] revival are patchy and you need to study the whole picture to get a reasonable impression of what actually is happening. But when you do that you can really believe that engineering is in the main over the worst and on the way to recovery.

Mechanical Engineering Short-Term Trends: free from Neddy Books, Millbank Tower, Millbank, London SW1P 4QX.



MEN AND MATTERS

Haste Hill bogey for council

Currently the most exclusive golf club in this country is not the Royal and Ancient at St. Andrews, nor Wentworth, nor Sunningdale, nor any of the others which might lay claim to the title. For the time being it belongs to the lowly Haste Hill Associated Club whose members play on Haste Hill golf course which, in turn, is a municipal course in the London Borough of Hillingdon.

The club has gained this exclusivity because its members are on strike, at least at week-ends. A friend who belongs to a number of private clubs played the municipal course on Sunday afternoon and reports that only two other pairs braved the pickets (yes, *pickets* at a golf course), and that he and his partner had the most private game of golf they have ever played. And that for a green fee of £1.50 per player.

The fuss has arisen over the decision by the local council to make season ticket holders (who pay £37.50 if they are borough residents and £49.50 if they are not) pay green fees at the week-end. The council has taken this action because, according to the chairman of the leisure committee, John Beasley, there has been "considerable abuse" of the seven-day season ticket facility. As a council spokesman elaborated yesterday: "People have been lending their season tickets to other people."

The situation is confused by the fact that the club exists by courtesy of the council (a not unusual situation as far as municipal golf courses go) and the council has decided to "suspend its association with the Haste Hill Golf Club."

While this impasse persists the club members lose certain privileges which include, ironically, two week-ends a year set aside specifically by the council for club tournaments. But banning week-end tournaments when members are striking at week-ends anyway is as bizarre as the rest of the story.

Humour as you vote

The idea, explains a Transport House spokesman, is to try and get "some humour into the campaigning." Not a bad scheme, I suppose, seeing how grim most candidates are as they debate the issues of the day. The Labour party's thoughts for a few laughs (even if rather strained) have been prepared for the local elections which take place on May 6 countrywide, except in London.

A circular to local parties has offered guidelines on the taking of advertisements in local newspapers to get the Labour message across. And there are a dozen or so suggestions for the widely-read small ads sections that would be a "less orthodox, more light-hearted method of attracting public attention."

How about "Lively, amusing, articulate Mr. wishes to become councillor. Please vote Labour on Thursday"? Might get a raspberry or two, that one. Here's a line which would leave most readers nonplussed, I reckon: "Fiona Make an old man very happy by voting Labour on May 6. Kier Hardie." A sneaky but rather better approach might be "On offer. Used Tory council which must be got rid of on May 6. Poor value for money. Cuts services but not rates. Should be replaced with Labour council to safeguard to-morrow."

No doubt the Conservatives could bend their minds to some suitable ripostes. At least the exercise might dissipate some of the apathy which, even in these days of anger over rate increases, usually surrounds electoral contests for local authorities.

Last day of the U.S. convertible

An era of American automotive history has just closed in Detroit when the very last U.S.-built convertible rolled off General Motors' Cadillac assembly line to the standing cheers of workers and a solemn funeral ovation from Detroit's Mayor, Coleman Young.

"It is a sad moment," he said and there seem to be plenty of fans of convertibles who would agree. Already this year Cadillac has doubled last year's total convertible sales and below-the-counter price premiums of up to $3,000 have been reported for "last" models of the car with a $13,000 list price.

In fact, exactly 200 identical "last" models have been made and the company has announced that it is keeping the very last one itself. All the cars are Eldorados with 8-litre engines, front-wheel drive, and vinyl interiors.

With the passing of the Eldorado, Detroit has finally voted unanimously to leave the convertible demand to foreign imports such as — some good news—British Leyland, Fiat and Porsche. American Motors was the first to quit the field in 1968 and it was quickly followed by Chrysler in 1971 and Ford in 1973. All stressed that practicality and safety now came before frivolity in car-buying decisions.

This used not to be the case as any fan of old Bogart films can testify. At one time convertibles were as common as running boards and the sales figures show that the decline did not really set in until 1965, perhaps coincidentally the year Ralph Nader first published his stunning indictment of car safety, Unsafe at any Speed.

Though the home-produced convertible may now be officially dead, they are likely to be around on the streets for some time. Of the "last" 200 batch, one enthusiastic Kansas buyer has bought seven and he says they will be available for renting.

Perk

New Zealand appears to have caved in on the question of civil servants' basic human rights. The country is now to allow Government servants free tea, coffee, milk and sugar. And the perk will cost $NZ3m. a year.

Observer

FINANCIAL TIMES SURVEY

Tuesday, April 27, 1976

Offshore Exploration

Although Britain is moving towards self-sufficiency in oil, fresh decisions are needed from the Government and oil companies about development for the next decade. Much will depend on detailed definition of the Government's role and its attitude to depletion.

Hiatus causes concern

By Ray Dafter, Energy Correspondent

'FSHORE ex- 'e has reached The outward uraging: seven on stream by year; the value il landed from ector in 1976 ound £900m. ufficiency, by seems assured. ain will remain state could on decisions vernment and is year. Here are hazy but avourable, not untry but the has grown up ore business. e intense com- stablished oil s—the Ameri- ilar — British a 50 per cent. Sea equipment business. At between £8bn. be needed to es up to 1980. e for Forecast- t, allowing for ill could be

is expenditure main pipeline are already and gas pipe- or being northern part (including the inking Ekofisk Shetlands and ch have pro- pting several nment has now a consultant's possibility of pipelines for h Sea. One is beginning to look quite likely is a pipeline linking the big Brae Field to the mainland. It has been suggested that this could be used to support a system which would gather gas from other reservoirs in the area.

On the broader front, however, equipment suppliers must accept the fact that demand from the North Sea operators is now levelling out. This was a point made by Mr. John Smith at the Petrotech exhibition in Amsterdam earlier this month, shortly before he was moved from his position as Minister of State at the Department of Energy. He urged the suppliers to turn their attention to overseas areas; there was a strong case, he said, for Britain and Holland forming joint ventures to seek more work in South East Asia, South America, Africa and, perhaps Russia and Japan.

Dwindling

For platform builders demand has levelled out far sooner than many had anticipated. This is evident from the dwindling order books and the fact that two yards, built with state backing, have yet to win their first contracts. Fabricators have been hit for two basic reasons. Firstly, operators are looking increasingly to less-expensive alternative methods of production like sub-sea completions. Transworld's Buchan Field, for example, might be operated from a semi-submersible rig positioned above a sub-sea system. The decision to proceed with development could be taken later this year.

This leads to the second, more important point affecting platform orders and equipment supplies in general. Since the middle of 1974 no one has made the decision to proceed with production. The fact that 13 U.K. fields are either on stream or are being developed is thanks to decisions taken prior to mid-1974.

Some breathing space was perhaps inevitable after the first flush of North Sea successes. But the hiatus is now becoming "dangerous and difficult," a situation recognised as such by Mr. Anthony Wedgwood Benn, Energy Secretary, and repeated at a drilling contractors' dinner a fortnight ago by Mr. George Williams, director-general of the U.K. Offshore Operators Association.

It is now reckoned that the U.K. sector of the North Sea contains around 20bn. to 25bn. barrels of recoverable reserves. Of this, perhaps 14bn. to 16bn. has been discovered in proven fields and reservoirs still to be proved. To find the remaining accumulations of oil considerably more drilling will be needed, far more than undertaken up to now.

And yet the number of exploration rigs operating in the North Sea has been slipping. Last year there were 27, on average, being operated in U.K. offshore waters. This year the industry expects that the average will not be much above the average of 24 or 25.

Operators know that their chances of finding another Brent or Forties are remote. There are a couple of promising structures in the Moray Firth which might feature in the fifth round of licences to be announced this year. There is also a large, but as yet, uncertain prospect in the Western Approaches where Britain, France and Ireland are still haggling over boundaries. But these are unlikely to be enough to reverse the trend in offshore exploration. It is known that most of the undiscovered fields will be small, probably 300m. barrels or less which will put them into "marginally commercial" bracket at best.

Just as worrying is the lack of decisions in the producing sector. Fields actually under development *contain around* 8bn. barrels of recoverable oil. This leaves 6bn. to 8bn. of proven oil lying in two- or three-dozen locations, few of which are likely to be developed at current rates of taxation, inflation and oil prices.

It is easy to become lulled into a false sense of security by early successes. The initial production build-up from British Petroleum's Forties Field has gone well. The field looks set to produce 400,000 barrels a day—the equivalent to about 25 per cent. of recent U.K. consumption—by spring or early summer next year. Its importance to the balance of payments can be seen already: about half of the £900m. North Sea oil revenue this year will come from Forties.

Accidents (as with the Beryl Field's tanker mooring buoy), field installation problems (on Auk and Piper, for instance) and other delays has meant there has been several months slippage in the overall build-up of production. Nevertheless, Britain should attain its self-sufficiency goal of about 2bn. barrels a day around 1980. If energy demand remains depressed it might achieve this aim a little earlier.

But the big question now being debated is how long will this state of affairs last. The Offshore Operators Association has made a grim prediction: self-sufficiency will last for only one or two years unless further development plans are expedited, it warns.

The Government's campaign to obtain more platform orders for some British yards has shown that there is little chance of many big decisions being made this year. At best only one or two structures look like being ordered later this year.

Continental Oil might well decide to develop its Murchison find. Buchan Field also looks hopeful although much depends on the latest well which will be drilled this summer. Recent tests on Texaco's discovery on block 15/16 indicate that the field might be developed commercially provided it can be linked in with nearby Piper production pipeline system. Shell/Esso may soon reach a decision on an extension to its Cormorant production plans while BP has indicated it might decide next year to develop Magnus. BP is also looking at the possibilities for developing Andrew which might be linked with Phillips's Maureen and even Buchan.

Pan Ocean's Brae find, which is emerging as possibly the third biggest field in the U.K. sector, is a longer term commercial prospect although in view of its shape and the fact that it will need a gas pipeline it will be an expensive field to develop, costing well in excess of £1bn. Its prospects have been improved, however, through the interest of larger companies like Amoco, Chevron and Marathon and by the establishment of new financing schemes, such as the one attracting institutions.

But in the end, it boils down to a question of confidence: do oil companies and investors feel that they will be rewarded for the obvious risks involved?

The Government is right when it points out that many of the uncertainties have been removed. Petroleum Revenue Tax has been established at a level lower than many in the industry feared but still too high for the operators' liking (not surprisingly): British National Oil Corporation has been set up. At least some of the worst industry fears have been dispelled by Lord Kearton, the Corporation's chairman and chief executive (the Government could not find a top-ranking oilman to become chief executive). He has been talking about a partnership with industry and has endeavoured to bring greater pragmatism to the Government's aims.

Then there is state participation, in which BNOC is closely involved. Initial agreements suggest that the Government is *taking a much* more conciliatory line over participation than it was once considering although the true colours may well be shown when the conditions for the fifth round of licences are published.

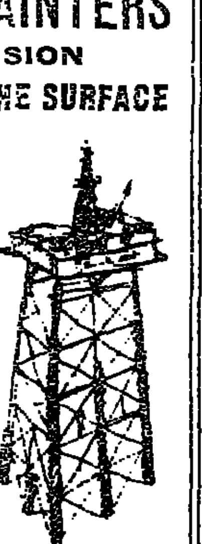
But as fast as questions have been answered in these areas, more have been asked under new legislation. The Government is taking wide ranging new powers under the Petroleum and Submarine Pipe-Lines Act, and the Energy Bill. In particular British Gas Corporation may well be given new jurisdiction over all gas products (not just methane) which is upsetting companies like ICI which are in the North Sea only for the feedstock and energy it can provide their own organisations.

Doubts

Exploration groups with an eye on particularly enticing unlicensed areas are also wary about new powers recently given to BNOC and British Gas which enable them to bid for licences at any time, not only in open rounds with the rest of the industry.

Overriding all these legislative doubts is the industry's concern about future depletion policies. Will the Government encourage and even stimulate large-scale exploration and development or will it adopt a conservationist policy, contenting itself with self-sufficiency and little more?

The warning lights are now showing. Neither the industry nor the Government can waste time justifying ideals and past predictions. The North Sea programme needs a new injection of confidence and determination to supplement the work now being carried through and to ensure that Britain remains energy self-sufficient longer than those one or two years.



The political battle

OVER THE last two years the unsettled state of North Sea development has been overcast by a constant argument over the policies adopted by the Labour Government and their responsibility for the slowing down in the pace of new investment.

It has not been a particularly edifying argument nor a particularly productive one. Oil companies have tended to adopt a tone of gloom and disaster as they have foretold of rigs leaving the area for more conducive climates and investment which has been cancelled because of the evil actions of politicians. Politicians and civil servants have answered in equal exaggeration with denials that any slowdown has occurred and even more vehement denials that their own words and actions have had anything to do with it.

Most of the discussion has been so much sound and fury. For the U.K. Government to claim, as it has, that the tempo has not changed in the last two years says much about its capacity for self-deception. For oil companies to talk of politics as if it were the sole, or even the main, factor in investment decisions says much for their emotional sensitivities but little for their hard-headed analysis of investment options and even *less for the understanding*, particularly among American independents, of the political currents that must always run with oil discovery wherever it takes place in the world.

The hard fact is that the impetus of North Sea development *has faltered. The reality may* have been disguised by the build-up of development expenditure and drilling activity during the last few years. But these are the result of investment decisions made several years ago before politics reared its ugly head. When the pace of new investment is looked at in terms of rigs built for North Sea exploration work but now lying idle or sent elsewhere, in terms of new platforms ordered and in terms of new fields announced for development, then the slowdown can hardly be denied.

The causes of this are certainly multifarious. Exploration has moved from the more obvious large structures to smaller prospects of more marginal economics. The economics has been changed by the dramatic explosion in costs and the uncertainty over the future course of inflation and world oil prices. The investment programmes of companies have been affected by the overall profitability of oil companies, the troubles in the Middle East and the confusions of the U.S. price and legislative scene. But coming on top of these factors, the uncertainty of British politics as the Labour Government has developed its policies of nationalisation, participation, tax, depletion control and refinery direction can but have added to the problems and delays, particularly when the first tax proposals were put to the companies by the Inland Revenue are looked at.

Yet the fact also remains that any British Government of whatever persuasion would have had to have evolved new policies once it became clear that oil was being found in such *profusion in the U.K. North Sea* —the more so because of the weakness of previous regulatory control and the more so because of the energy "crisis" of 1973-74.

Imperatives

Set against these political imperatives and judged against the background of the uncertain politics of 1974, the Government can be said to have gone as far as anyone could have expected it to produce realistic legislation from the mass of preconceptions it started off with. However ill-judged may have been its original thoughts on taxation few governments can have undertaken such prolonged and serious discussions with the industry before putting its legislation into practice as the Government did on its Petroleum Revenue Tax. And, with its safety net clauses, its capital "uplift" provisions, its volume allowances and its gas exemptions, the tax could be regarded as a very reasonable compromise between the State's right of economic rent from *production and the country's* need to provide the companies with the incentive to carry on.

Very much the same could be said of the other aspects of North Sea legislation. Any British Government, and particularly one so vulnerable to *the tide of Scottish nationalism*, would have had to have taken powers to control, if necessary, the depletion rate of fields, the common carrier use of pipelines and the pace of investment. And whatever is said about the recent Petroleum and Sub*marine Pipelines* Act, the Government has gone far to meet industry objections by inserting limits to administrative power, by exempting existing developments and by ensuring that control cannot damage the commercial interests of a company once it had gone ahead with expenditure.

Any Labour Government would probably also have had to form a national oil company and any government, including the Conservatives, would probably have gone for participation at some stage or another. The present Government's policies may have been ill-thought out, but the recent deals with Conoco and Gulf have shown that it has meant what it said in talking of a "no gain, no loss" result for companies. BNOC has been hedged around with statements assuring the industry that the new oil corporation will compete commercially and the appointments made so far give *no reason for fearing that it is* intended to do otherwise. Even the more niggling pieces of recent legislation such as the Energy Bill and the changes to allow the BNOC and the Gas Corporation to apply for licences outside the licence rounds could be stated as being no more than a necessary reserve position.

Where the Government can be criticised from a national as well as industry viewpoint is not so much in the final practice of its legislation—which could be said to be no worse than in *most other countries* and a great deal better than the legislation prevailing in Norway and even in the U.S.—is in its political failures. The separation of tax from participation was not only a tactical error but will prove a serious error of political judgment as well. The time it took for the Labour Government to turn its initial prejudices into practical action may have been understandable, but it created uncertainty just when uncertainty was least acceptable. The Government's constant failure to understand the *nature* of Scottish nationalism and its weakness in tackling policy as a result has been unfortunate to say the least.

As long as these doubts about the long-term drift of Government policy persist, there is likely to be hesitation on part of the oil companies before committing further large-scale investments to the North Sea.

Impact

It is this which makes it so difficult to judge the political environment and its impact on present and *future* development. Most companies would admit that they can live with the current legislation, even if they may still dislike particular parts of it. Most would probably now admit *that, while political* uncertainty helped weight the balance against rapid further investment in the past two years, it cannot be said to be anything like the obstacle now that it once was in 1974 when the Government had yet to define what it meant by participation, taxation and control.

And yet doubts remain even among the most sanguine and experienced of these companies. And these doubts are simply that no one knows, least of all the Government itself, exactly what it intends to do with all the slogans and powers it has amassed recently. It is all very well having a national oil company. But whether it is there simply to ensure access to oil should another 1973-74 crisis occur *again* or *whether* it is there to change the course of prices, investment or ordering habits no-one is prepared to admit. It is all very well having a "no gain, no loss" participation deal, but will it survive the scrutiny of future public accounts committees or provide security *against the future* swings, left or right, of party politics? It is all very well having powers over depletion and investment, but does the Government want an all-out effort or a restrained one, does it wish all the oil it *can* get or not?

The *sensible answer is* that: looking at the country's economic situation, its foreign loans, its balance of payments constraints and its investment needs, then it must be assumed that the British Government will more and more want rapid development, that they will long need foreign investment and outside expertise and that all the slogans and legislation add up to appearance for appearance sake. The reality, so it could be argued, will be quite different from the speeches and investment in the North Sea *must be as good if not a better* bet than investment in the Middle East, Asia or even the U.S. where politics can move suddenly and decisively against the oil companies. Give the Government time and it will absolve smaller fields of royalties, it will allow companies to export large quantities of unrefined oil and it will never allow BNOC to develop as a real threat.

But another answer is quite different. Scotland remains as *unresolved an issue as ever it* was, and could still change the face of North Sea politics for all time. Participation which gives the country no financial gain could never withstand a change in the political wind to the left and would soon be dropped if the wind changed to the right—so it gives no political security. The powers of depletion control and other possible intervention, it could be argued, will be used and used in the worst possible way because they will become the weapons of an indecision and vacillation which will become a permanent feature of a declining country. The Government does not know whether it wants to use depletion control or not because it *no* longer has any grip on the country's economic problems and therefore *cannot provide a real political* and economic environment for the North Sea.

This, in the end, may prove to be the real legacy of the last few years of policy-making in the North Sea. The victim could still prove to be if not so *much actual negative* investment decisions but a loss of faith by industry—a loss of faith in the good intentions of civil servants, a loss of faith in the ability of politicians to lead and a loss of faith in the future of the country itself.

Adrian Hamilton

Prospecting now more hazardous

NORTH SEA exploration groups have reached the stage when they know that their chances of finding another major oilfield are remote. The next round of offshore licensing may whet their appetites with prospecting possibilities in the Moray Firth and the Western Approaches, but this does not alter the fact that most of the discoveries they make will be small ones: fields of perhaps 150m. to 300m. barrels of recoverable reserves.

It is quite possible that as much as two-thirds of North Sea oil has now been discovered partly due to the level of exploration activity last year. On average 27 wells were drilled a month as against 23 in 1974. Of these 17 wells were "wildcats," *compared with 13 in 1974.*

The outcome of this programme last year was no less than 28 recorded finds. Only two or three of these are likely to be declared commercial in the near future, however. Both Murchison and Brae now seem likely to be developed. Analysts Wood, Mackenzie believe that as many as 14 of the remainder might possibly be commercial in time although this figure is likely to prove very much on the high side. Even so, this still leaves at least a dozen or so finds last year that can be discounted from the point of view of adding to Britain's recoverable reserves.

Encouragement

Reasonable encouragement can be drawn from some of the wells completed in the first three months of this year. The first appraisal test on Pan Ocean's Brae Field indicated that reserves could be near 1bn. barrels of oil and possibly 2 to 3 trillion cubic feet of gas.

According to some industry reports Phillips may have found similarly-sized gas reserves on block 49/11A. British Gas Corporation's own discovery on block 110/2 in the Irish Sea could be a gas field at least seven miles long, according to the third well sunk 27 miles off Blackpool foreshore. If the third well encountered the same structure as the first two, reserves might range from 2 to 3 trillion cubic feet up to 5 trillion cubic feet.

On the oil front, BP successfully tested part of the Magnus Field, development of which might start next year. At the same time it found a new, but apparently small, field on block 23/26. The well, tested at 4,800 barrels a day, was interesting because it encountered some of the lightest crude so far found in the North Sea. BP said that the gravity was 42 degrees.

The BP find was in the next block to a significant Ranger Oil discovery announced in March. Here a "thick oil-bearing sandstone," yielded a flow of more than 3,000 barrels a day through a restricted choke, although at least two more wells will be needed to appraise the commercial importance of the field. For Ranger it was third time lucky. The first two wells apparently had been dry.

The Placid Oil group was less fortunate, however. Earlier this month it was learned that Placid and Caledonian Offshore, in association with Hunt International and Viking Oil, had spent about £8m. on a dry *hole. The well, on block 29/2,* did encounter a number of gas shows but nothing significant. So the well, which had thrown up all sorts of technical problems since drilling began back in mid-September, has been plugged and abandoned, like *so many others in the North* Sea.

The experience of Placid raises two particular issues surrounding future North Sea exploration. Firstly, tests are becoming increasingly expensive; secondly, groups like Placid are wondering whether they will be allowed to play a meaningful role in future drilling programmes.

The cost aspect is worrying companies of all sizes, particularly as they know they are spending more to find less. With exploration teams working in far more hostile conditions than in any other major offshore zone in the world, it is impossible to cut corners. But apart from being confronted with inflation oil companies are seeing their margins eroded by the general economic recession.

BP, which is spending £700m. to £800m. on capital investment this year (largely in the North Sea and Alaska) reported that its group profit fell from £476m. in 1974 to £145m. last year. Another "lean" year is expected in 1976. The uncertainties surrounding U.S. Government plans to break up the nation's major oil companies may well increasingly affect the level of activity in the North Sea and other exploration areas. Then again, there are the uncertainties surrounding the British Government's future depletion policy.

The combined effect of all this must eventually lead to a slow down in the pace of exploration. Indeed, there are already signs that the level of activity may well be over the top. In March there were 21 rigs being operated in U.K. off-

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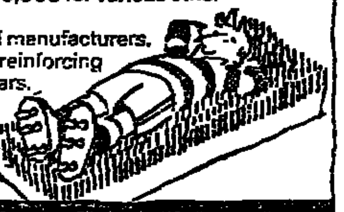

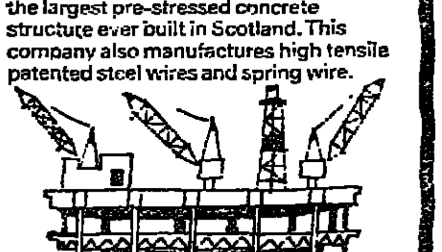

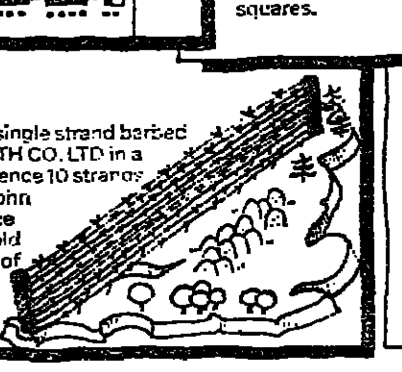

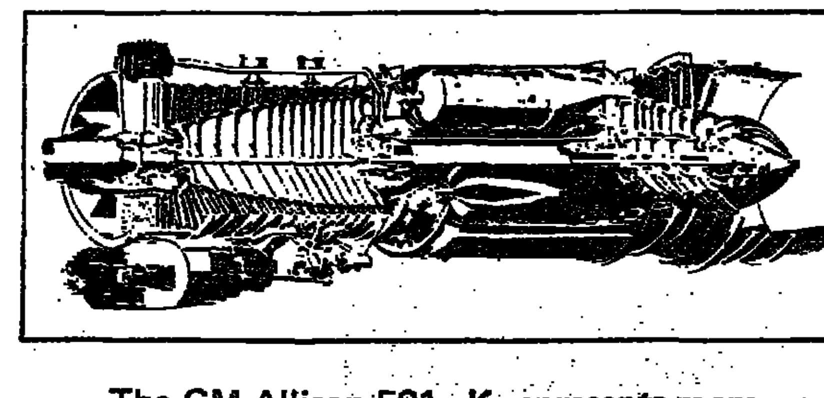

OFFSHORE EXPLORATION III

Benefits start to be felt

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hen North Sea be producing to 130m. tons. lf-sufficiency, the be in the region 3bn. and £6.8bn., figures given to lier this month. d with last year's for oil of £3.1bn. s indicate the t North Sea oil n the British

d statistics mask concern being the oil industry; would be wrong heavily on pro- geared up in the aged. Inflation, some still un- al policies, and chnological and ms of installing ome of the most of the world are dles which have

f this year seven be on stream: gyll which star- last year; Auk, stream in Feb- troublesome win- hich have yet to l, Brent, Mont-

ady enough pro- ation to provide r those who be- companies have mistic with their nd those that n. The perform- ish Petroleum's for instance, has an many in the xpected. Produc- reach 250,000 his summer and 00 b/d by April-

On the other hand, the operators of several of the other fields have had to face delays and accidents. Auk, the smallest commercial field in the North Sea, was three months late in producing because two of the eight anchors securing the single buoy mooring unit had not embedded themselves properly. Mobil's Beryl Field is at *least six months behind* schedule as a result of the 480 feet steel tanker mooring tower breaking away from its base in December.

Start-up of the Anglo-Norwegian Frigg gas field has been delayed by at least a year (to October, 1977, at the earliest), partly as a result of an even more spectacular accident—the sinking off-station of a production platform. The fact that British Gas is not contracting to sell Frigg gas until April 1978 is indicative of its scepticism about firm start-up projections.

It is likely that Frigg production would have been delayed by the late delivery of a platform in any case. Looking beyond this year it is possible that the commissioning of other fields may be held up for the same reason. There is also considerable industry concern that production from the Brent and Ninian fields could be delayed and restricted by indecision surrounding the key Sullom Voe oil terminal in the *Shetlands. Companies* are at odds with the Shetland Islands Council over whether or not 1bn. cubic metres of oil storage capacity should be sited above or below ground.

Costs

A slippage in the production programme is one of the major factors affecting the profitability of an offshore field. Operators not only have to bear higher financing costs and wait longer for a return on their investment; they must also meet inflated capital costs. Consequently, an anticipated rate of return of, say, 29 *per cent. on a "typical"* field due to start producing in March, 1977, could fall to around 22 per cent. with a year's delay.

Much of the North Sea investment would be undermined if, for instance, OPEC countries decided to slash the price of oil to $7 a barrel (the floor price accepted in principle by the International Energy Agency and the Common Market). The chances of such drastic action must be remote, however. The Middle East would also be harming itself, committed as it is to ambitious industrialisation schemes. It seems much more likely that oil prices will rise steadily, say at 5 per cent. a year in sterling terms, over the next six years.

It is reckoned in the industry *that between £8bn. and £10bn.* will be needed to develop discoveries up to 1980. The Henley Centre for Forecasting, in its 350-page survey of non-Middle East oil producing countries, reckons that by 1980 about £14.7bn. will have been required, allowing for inflation. Of this some 23 per cent. will have been spent on platform structures, 14 per cent. on platform equipment; 20 per cent. on development work and drilling; and 20 per cent. on the main pipeline network.

The Brae Field, being heralded as possibly the third biggest discovery in the U.K. sector of the North Sea, gives some indication of the scale of investment needed. The structure is long and thin, hence development will be expensive. Apart from 1bn. to 1.5bn. barrels of recoverable oil reserves, the field also has two to three trillion cubic feet of gas, according to latest estimates. Consequently, if Britain is to get maximum benefit from the discovery a new gas pipeline will have to be constructed. *The total cost of developing* Brae may well work out at well over £1bn.

Little wonder, then, that Pan Ocean—the field's operator—and some others in the Brae consortium have been looking at ways of attracting outside investment, possibly through a farm-in arrangement. They won't be alone, for other smallish companies which have discovered oil will also be in need of financial backing (some have already been helped, either by the Government, by banks or through a rights issue). The Association of British Independent Oil Exploration Companies (BRINDEX) pointed out recently that its 26 companies laid claim to 400m. barrels of proven and declared oil reserves. They had interests in 113 North Sea blocks and had so far been involved in the sinking of 94 wells.

Whether they will be given as much freedom to explore in *future licensing rounds remains* in question. There are signs that the Government may favour the larger oil companies with the technological muscle and financial strength to tackle future production investment. Whether these majors are attracted into further exploration on the same scale as in the past also remains to be seen, however.

The Government may have clerified its tax regime and shown that State participation is not the fearsome monster that many companies feared. But it has still to remove doubts in two important production spheres.

Policy

First, what will be the policy for controlling refineries and downstream activities? The Government has said that it wants to see up to two-thirds *of North Sea oil refined in the* U.K. (at least until the country has reached self-sufficiency). Although it is looking for voluntary agreement, it has hinted it might introduce legislation to back its aims. The fact that a new Scottish oil refinery, designed to handle North Sea crude, has been given the go-ahead in the face of the present rfinery over-capacity, emphasises the Government's determination. The oil company argues, with some justification, that it would make more economic sense to export all the North Sea crude not directly needed for Britain's chemical and petrol industries.

Another unknown relating to refineries is the intention of the British National Oil Corporation. The new State undertaking has announced its intention to move downstream eventually and it is already in preliminary discussions with a number of refineries. As yet, however, it has not given details about how much it will be involved in the refinery business and how much of an influence it will exercise over the rest *of the industry.*

The second basic doubt surrounds the Government's depletion policy. The industry has still to hear whether the Government intends to put a brake on production, once Britain reaches self-sufficiency, or *whether it will encourage* output as a means of paying off some of the National Debt, thus laying the foundation for new industrial growth.

These issues are crucial for life in Britain's offshore waters is likely to get tougher rather than easier. Although about 59 separate oilfields have been found already (26 of which have been named) only 13 are being developed. These con*tain perhaps 8bn. or 9 bn.* barrels of reserves. Perhaps a further 6bn. to 8bn. barrels lie in the other fields, few of which are likely to be developed at current taxation rates, prices, development costs and so forth.

Companies now believe that the ultimate recoverable reserves in the U.K. sector of the North Sea amount to 20bn. to 25bn. barrels. So that leaves less than 10bn. barrels to be discovered, most of which will be in comparatively small pockets. In these circumstances, it may be short-sighted of the Government if it opts for a strict depletion policy. The time may not be far away when it will have to come up with a positive method of encouraging development, rather than restricting it.

R.D.

NORTH SEA FIELDS

Block	Name	Group	Estimated Recoverable Reserves (m. barrels)
3/14	Alwyn	Total	300-500
30/24	Argyll*	Hamilton Bros.	70
30/16	Auk*	Shell/Esso	50
9/13	Beryl†	Mobil/GC	400-600
16/7	Brae	Pan Ocean	1,000-1,500
211/29	Brent†	Shell/Esso	2,000
9/8	Bruce	Hamilton Bros.	?
21/1	Buchan	Transworld	300
14/19	Claymore†	Occidental	350-400
211/21 & 26	Cormorant†	Shell/Esso	160
9/28	*Crawford*	*Hamilton Bros.*	?
211/23 & 24	Dunlin†	Shell/Esso	400
21/10	Forties*	BP	1,800
2/5	Heather†	Unocal	150
211/27 & 8	Hutton	Conoco/Amoco	300
30/13	Josephine	Phillips	?
23/21	Lomond	Amoco/GC	?
16/28 & 29	Mabel	BP/Phillips	?
16/29	Maureen	Phillips	?
211/12	Montrose†	Amoco/GC	180-220
22/17 & 18	Magnus	BP	500-700
211/19	Murchison	Conoco	500-800
3/3 & 8	Ninian†	Chevron/BP	1,200
15/17	Piper†	Occidental	800
211/24	Statfjord U.K.	Conoco	300
210/25	Tern	Shell/Esso	350
211/18 & 19	Thistle†	Burmah	450

UNNAMED DISCOVERIES

Block	Group	Block	Group
23/27	Ranger	15/16	Texaco
14/29	Texaco	22/2	Zapex
3/4	Texaco	2/10	Siebens
211/27	Amoco	3/8	BP
9/13	Mobil	3/2	Conoco
16/22	Total	21/2	Zapata
14/19	Occidental	15/21	Monsanto
211/13	Shell	15/30	Conoco
211/18	Burmah	211/26	Shell/Esso
3/9	Total	15/13	BP
48/12	Trans Ocean	23/27	Ranger

** In operation. † Under development.*

pecting

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Better weather at a couple more, ustry is doubtful ge for the year 24 or 25.

e smaller com- to play a signifi- loration remains ertainly, there is members of the British Independ- ation Companies, e largely ignored nent in the next They, like the industry, have whisper that the ll be seeking ex- ips with more echnical muscle. wrong to ignore the smaller groups, however. British independents alone have proved through the 95 or so wells sunk so far, that they are capable of meeting their commitment. It would also be wrong for the Government to look on exploration and development as one integrated activity. Many of the independents in the North Sea make no *bones about the fact* that they are not interested in developing their own oil reserves. They want to be able to find oil and then sell the concession to companies anxious to develop their own reserves. It is a commonplace practice in other parts of the world.

Mr. Roland Shaw, chairman of Ball and Collins and secretary of BRINDEX, said that the opportunities for either farm-in or development finance arrangements had improved in the past 12 months, thanks to the various financing deals which had emerged.

Although the percentage interest of independent companies in the North Sea is inevitably small, they do provide a useful addition to the overall exploration force. At a time when exploration activity appears to be over the hump it might be short-sighted to exclude any competent section which wants to be actively involved in finding more oil and gas in offshore waters.

R.D.

OFFSHORE EXPLORATION IV

Arguments over gas

IT WAS only 12 years ago that natural gas was discovered in the U.K. southern sector of the North Sea; nine years since the first gas was produced. In the past decade £737m. has been spent on installing a new inland transmission system, £371m. more in providing additional distribution mains and a further £550m. on converting customers from town gas supplies. To-day 96 per cent. of gas consuming households as well as virtually all industrial and commercial gas users are being fed from the North Sea—such has been the scale and pace of change in the gas industry.

Although growth in the domestic market has continued—gas in now the biggest single supplier of heat in homes—British Gas is currently soft pedalling its industrial and commercial marketing activity. In essence, it is waiting for gas from the Anglo-Norwegian Frigg Field to start flowing ashore before being committed to large new supply contracts.

Plateau

After a rapid build-up production from the southern North Sea fields has reached a plateau. Last year the Corporation used on average some 4bn. cubic feet a day, in line with the Government target set in 1967. With supplies committed to providing much more than this average at times of peak demand British Gas has been able to meet a record output of 6bn. cfd this winter.

Nevertheless, in the light of the British Gas policy to match supply contracts with assured North Sea production, there is little room for growth before Frigg—and later, Shell/Esso's Brent Field—come on stream. Frigg is due to start producing in October next year although as this is dangerously close to the notorious bad weather window British Gas is not counting on receiving the gas until April, 1978. Any gas which arrives before then will be a bonus and will help the Corporation meet the peak winter demand.

As it stands, Frigg is well over a year behind schedule: it should have been producing this year. Development work has been dogged by an industrial dispute at a yard constructing one of the platforms and by one of the most spectacular mishaps in the short history of North Sea development—the sinking of a platform some 2½ miles off station.

If the delay had occurred at a time of buoyant industrial activity and fast rising demand British Gas might well have been forced to make major contingency arrangements: perhaps to boost capacity for substitute natural gas (produced from oil) at a faster rate than at present or to stimulate production in the southern North Sea even further. As it happened the hold-up coincided with the economic recession and British Gas has been able to ride the delay. Any further problems could have serious repercussions, however. Frigg, and to a lesser extent Brent, are vital to the next stage of the Corporation's development.

By 1980/81 Frigg's output should be up to an average of 1.5bn. cubic feet a day, perhaps rising to as much as 1.8bn. cfd at times of peak demand. A year or so later Brent should be providing an average of around 500m. cfd. Consequently, by the early 1980s British Gas should be supplying an average of 6bn. to 6.5bn. cfd to British domestic, commercial and industrial customers, as against the present average of 4bn. Negotiations have now begun with possible industrial buyers of Frigg gas although it is believed that at least half of the supplies will be used by domestic customers.

The Frigg Field, which is costing £1.3bn. to develop, will mark the beginning of a new era in natural gas supplies. Production costs are far greater in the deeper, storm-prone waters of the northern North Sea than in the south. The risks are correspondingly higher. Consequently, British Gas will have to pay appreciably more for supplies than it has been doing in the south, even allowing for the latest round of price adjustments.

Gas prices are kept a closely guarded secret by both suppliers and the Corporation but it has been suggested that as much as 7.5p per therm might be paid for gas from the Norwegian sector of Frigg as against the 2p to 3p being paid in the Southern U.K. fields.

Maximise

In addition, operators of Northern gas fields will want to maximise production in the early years when financing costs are heaviest. (This will also be the case with fields like Brent where gas will be produced in association with oil.) British Gas will find it difficult to convince operators to hold back production in tune with demand cycles, as it has done, to some extent, with southern field operators. At the same time it cannot direct companies in the southern gas fields to to produce at less than 60 per cent. of capacity in order to balance the rush of gas from Frigg and Brent. This is implicit in existing contracts.

Thus the Corporation is left with a delicate marketing situation. It must line up enough customers to use all the new gas as well as provide some form of back-up to cope with the inevitable peaks in demand. The continued use of "interruptable" contracts will be one method of providing this reserve. Increased capacity of naphtha- or coal-fed substitute natural gas plants will be another. The Corporation has just successfully demonstrated new coal-based technology which is likely to be used first in the U.S.

In seeking new contracts British Gas is labouring two points: first, that gas supplies are here to stay; secondly that prices will rise more slowly than the retail price index. The current supply contracts are enough to ensure British Gas will not have to face a drop in supplies before the 1990s. By then other fields should be on stream—those that have been found, like Brae—and those like British Gas's own encouraging find in the Irish Sea which have still to be proven.

The Irish Sea discovery, conveniently situated beneath shallow, sheltered waters not far offshore from the industrialised areas around Liverpool and Manchester, already looks commercially attractive. A third well sunk on block 110/2 produced a flow rate of 10m. to 15m. cubic feet a day. If this well encountered the same structure as the first two wells, the field could be at least seven miles long. Reserves ranging from 2 to 3 trillion cubic feet of gas up to 5 trillion have been mentioned in the industry.

Similarly there has been speculation that the new Phillips discovery on 49/11A in the North Sea may be of the order of 2 to 3 trillion cubic feet although further drilling will be needed to confirm this. At the same time initial tests in the lower sector of quadrant 15—around blocks 15/29, 15/30 and possibly 15/27—suggest this may be a new gas-producing area.

These, and other finds, be enough to guarantee well into the next cen when British Gas shou embarked on a major s natural gas programme naphtha or coal based)-ing that it needs to.

In giving the prices to a Commons select co in February, Mr. Jack the Corporation's mem finance, pointed out th of the capital investm conversion work hac undertaken. Even th cost of buying gas fr Northern fields shoul only a minimal eff customers, he said.

The Corporation's att prices has been at th of a good deal of con recently. The coal and city industries compla the prices are too low a tax should be imp bring all fuel supplie in line. The explorati panies complain that t not receiving enough to further drilling. The made it plain they woul look for oil than gas.

On the other hand, Gas is steering its ow course. It wants price attractive enough to w customers (and that attracting some from fuels) and yet it w remain a premium fuel present situation it is whether British Gas encourage companies t out on exploration and ment; indeed, a huge of gas could be an er ment to its long-term .

Unions seek foothold

TRADE UNIONS trying to establish a formal foothold in North Sea exploration and production work have sniffed an opportunity with the coming of this summer's round of new drilling licences.

In recent weeks there have been a number of meetings between union officials and civil servants at the Department of Energy, at which unions have been reminding the Department of the Government's general wish to help them organise the numerically small but industrially powerful offshore workers.

Past expressions of the Government's attitude, mainly from the lips of Energy Secretary Mr. Anthony Wedgwood Benn, have been vague enough, but not so vague as to dispel the real ambition of the unions to secure Ministerial help in recruiting and formalising labour relations on the rigs and platforms while the industry is still comparatively young.

They have asked specifically for the next round of licences to include conditions compelling operators to negotiate with the Aberdeen-based Inter-Union Offshore Oil Committee set up to give some kind of uniformity to the union recruiting drive.

From what has emerged at these meetings so far, however, it seems unlikely that the Government is ready to hand the committee—or any other group of unions—a passport of the kind it wants.

Pursued

There are a number of obvious difficulties, stressed by the operators and recognised to some extent by the unions themselves, which make it probable that recruitment, recognition and subsequent agreements on wages and conditions will have to be pursued as now rig by rig or company by company.

First, the offshore workers themselves have not exactly been calling out for union representation. This may be due partly to the nature of their work—isolated, high-paying and arduous and difficult to fit into a factory-type agreement. It may also be a reflection of the independence of men who choose this kind of work.

The unions deny that rig workers are unwilling to join, arguing that the real difficulty is getting access to them. They point to one signal success on Conoco's Dundee Kingsnorth rig where a group of shipping unions led by the National Union of Seamen has concluded a union recognition and closed shop agreement with the rig operators, Houlder Brothers. This agreement set rates of pay, time off, a bonus scheme and even private health insurance through the British United Provident Association. A number of other rigs have less formal "understandings" with unions and some of the big oil companies have flown union officials out to rigs to talk to workers.

But the Dundee Kingsnorth agreement itself illustrated another practical difficulty: the failure of the unions themselves so far to agree on who should be recruiting whom. The Transport and General Workers Union, for instance, protested to the NUS about not being included in its Conoco rig deal, and talks between the two unions are still going on in an attempt to carve out "spheres of influence."

Mr. Jack Jones, TGWU general secretary, has taken a personal interest in the field—as in other widely different fields like horse racing and betting shops—and is being asked by the shipping unions to say which offshore workers he thinks should belong to him. Ultimately the unions hope to have a working arrangement to prevent a constant stream of disputes and allegations of inter-union poaching.

The fact that the unions may agree among themselves where their constituencies lie will not of course automatically result in agreements being reached. The U.K. Offshore Operators Association has pointed out to the Department that it cannot in any event negotiate collective agreements—it is not that kind of body.

The rigs are run by subcontractors for the most part, who are not members of UKOOA, and it is with the oil companies' sub-contractors that agreements would have to be struck. This does not necessarily imply that the oil companies have no interest in day-to-day labour relations, but their interest is at one remove and is of a more general kind. However, at least one oil major is now taking a closer look at affairs on its rigs and could thus become directly involved in negotiations with the unions.

But perhaps one of reasons for the Gove reluctance to move tively in the unions' this: that to make uni nition or access a con issuing new licence create an anomaly for licence-holders. The want conditions app round—to old and new holders equally—but licensees would hard kindly to a retrospectiv in the terms. This is qu from the more gener tion that too clear a from the Governmen frighten off some of th tial tenders.

Although the in committee — and behin TUC—is unlikely t significant headway as t new licences are conc has recognised the given to union re generally by this Gover

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which could rival the U.K. North Sea for the pace of activity or the degree of annual expenditure on development. Norway certainly has the geological potential and there are indications that, with the swing to the right of voting patterns and the recession in the offshore construction and rig industry, there will be a loosening-up of some of the more restrictive policies towards development which were seen in the Government policy documents of 1973 and 1974. The discoveries of oil and gas Statfjord have presented both the problems and the potential oil flows to overcome the economics which could well lead to some of the largest offshore oil and gas projects yet attempted in the world. The Government is now moving to open up exploration north of the 62nd parallel and seems ready to award it to foreign as well as national companies, if only to counterbalance the growing power of Statoil. There is much less heard now of the production ceiling concept.

And yet the argument over a faster or slower rate of development in Norway remains within a narrow margin. The country does not need, and could be harmed by, too rapid a development or too great a revenue from the offshore. Distate for industry and the oil industry in particular remains widespread and, with so many rig owners and contractors facing lean years, it would be foolish for foreign competitors to expect that Norway will suddenly open itself up.

Other countries in Europe may be somewhat more eager in their policies than the Norwegians, but again there is a similar sense of not wanting the oil industry to "take over"—a fear of over-rapid exploitation or too hasty a development.

Greenland has opened up acreage off its west coast. But, taking its cue from the Norwegian example, the Government there are following a very cautious line towards the speed of development, which in any case will be inhibited by the water depths, sea conditions and iceberg problems. The Republic of Ireland has also recently awarded a number of new licences off its southern and western coasts after the year of being straightjacketed within the original concession deals with Marathon. While development is starting up already with the Kinsale Head gas field, however, the finds so far have been relatively small, the amount of prospective acreage awarded is not large and the best new prospects lie in extremely deep water in the Porcupine Bank area.

Expenditure

In the North Sea itself, development and drilling continues in the Danish sector, although with limited success so far. The Dutch are now embarked on a steady programme of proving up and tying in smaller gas fields, but it is in relatively shallow water and the expenditure and equipment requirement is not of the same order of magnitude as in the northern North Sea. German drilling so far has been disappointing. And the opening up of substantial new acreage off Britain is restrained both by Government caution, the disputes with neighbouring countries such as France over the median line and, to a degree, uncertainty about the precise prospects in areas such as the Western Approaches where the geological conditions seem quite different from the unusually attractive combination of geological circumstances which characterise the northern North Sea.

The same limitations of either lack of geological prospects or lack of political incentive also overshadow many other areas of the world. The development of offshore technology and the impetus of high energy prices had induced Governments everywhere to look to exploration activity around their coasts and the spread of exploration and development is certainly greater than it has ever been, with South-East Asia emerging as a major market in its own right and North America planning to open up new offshore areas that could suck in as great an amount of rigs as the North Sea.

But each area has its problems. The most important area in terms of production remains the Middle East and with some countries such as Iran anxious about reserves and revenue activity continues at a surprisingly high level. The question here, however, will be how much longer will an expansionist mood last, particularly in Saudi Arabia, where the conservationist argument has yet to be settled and in other countries in the Gulf who may now reconsider their plans for huge energy-related process plant investment in the light of greater financial strains and lower market prospects.

In South-East Asia, the U.S. withdrawal from Vietnam and the Communist takeover of surrounding countries has inevitably clouded prospects. In Latin America and Africa, there are limits to the amount of really prospective acreage available.

Allocations

Most important of all, the U.S. still seems as far away as ever from resolving its political problems in achieving or even beginning Project Independence. The position and investment of the oil companies is threatened by political demands for the break-up of the integrated companies. New offshore allocations have been continuously delayed and when one looks at the most prospective areas such as the Alaskan coasts and the Atlantic, the sheer size of the technical problems seems bound to restrict the speed at which development occurs.

This is not to say that a growing worldwide market does not exist. It does and it is growing. Recent estimates by the Scottish Council (Development and Industry), for example, suggest that some £12-15bn. will be spent between now and 1980-81 to explore and develop offshore hydrocarbon resources, of which Europe will account for around 28 per cent.; North America, for around 17 per cent.; the Middle East, towards 15 per cent.; South-East Asia, around 14 per cent.; Africa about 8 per cent.; and the Communist countries towards 14 per cent. Nor need one take too gloomy a view about surpluses in equipment and supply. A change in mood by the U.S. could overturn this overnight, just as a revival of oil industry profits could wipe away some of the corporate financial constraints which have been behind some of the faltering in growth over the past year or so.

But, on present evidence, there does not seem to be any area of the world that can make up in expenditure and intensity of activity that the North Sea has provided over the past few years. And this in turn must have implications for the amount of work that will be available outside the North Sea for the equipment and technology specifically designed for the North Sea conditions—lay barges, and semi-submersibles, for example. And it must have implications on the ease with which newcomers to the offshore scene that have started life in the North Sea can hope to gain entry into other markets.

The lesson of the past year in the North Sea for the offshore supply industry is that, in a worldwide industry, any company must take a worldwide view of his markets if he is to survive the political and economic swings of any one part. But the lesson of the past year is equally that, at a time of worldwide recession, only the most efficient and competent can hope to take advantage of the point.

A.H.

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piece of legislation. And its specific extension to the North Sea oil and gas industry may in the end be of more help to the unions than any number of pledges from the Department of Energy.

Union ambitions in the North Sea have not really caught the public eye. Nor have there been cries of protest (as over the Dock Work Bill) that union organisation will give militants a stranglehold over vital supplies.

That may happen as the union recognition campaign progresses. So far the Government at least appears to have accepted that this key industry will be better served in the long run by signing peace treaties with the unions than by keeping them at arm's length. But having provided the legal framework it seems to be leaving the responsibility for orderly industrial relations to the unions and operators themselves.

Christian Tyler

OFFSHORE EXPLORATION VI

Pipeline planning

BRITISH INDUSTRY has often, and not without justification, been blamed for not seizing more quickly and decisively the opportunities presented by North Sea development. Nowhere have these criticisms been stronger than in the area of subsea pipelining. Although the discovery and development of the major gas fields in the southern sector of the U.K. North Sea provided an unequalled chance to learn the business and take advantage of a domestic market of worldwide potential, it was the U.S. contractors who dominated the offshore installation work and it was the Japanese and Continental steelmakers who supplied the pipe in face of the British Steel Corporation's inability to produce the large-diameter high quality pipe required. And much the same story has continued—with the exception of the recent entry of the part British financed and owned Viking laybarge—through the period of oil development over the last six years.

Yet it is easy enough to blame British companies for their deficiences of foresight and courage, especially in retrospect. What has to be remembered are the circumstances of the time—declining profitability in manufacturing industry; the specific background of steel nationalisation and re-nationalisation that effectively deprived the industry of new investment over a crucial period in the 1960s; the lack of knowledge of what offshore development entailed and the nervousness of British industry of the high capital cost and high risk of failure.

The problem for British industry now is that degree of uncertainty associated with oil exploration remains as great as ever, if not greater, for all the discoveries made. Oil expenditure is ultimately controlled by the pace of exploration, the rate of exploration success and the economics of producing from any fields found and all these are doubtful propositions so far as new investment is concerned at the moment. Added to this is the very delicate balance of economics between producing oil by pipeline, with all its massive expense and difficulties of installation, and producing by tanker, with its vulnerability to weather shutdowns and its lower capacities for production.

To date, the preference has been for the producer of any large field to go for a pipeline to ensure regular production if at all possible, while natural gas discoveries have of necessity entailed the use of pipelines. In addition, it should not be forgotten that field development work, whether using tankers or pipeline distribution to the coast, requires considerable laying of lines between platforms and facilities.

Surge

The result of these factors has been a massive surge in pipeline construction contracts and pipe orders in the last four years, led by the Phillips group's major Ekofisk programme, requiring separate extended large-diameter oil lines from the field in Norwegian waters to Tees-side in the U.K. (to carry the oil) and Emden in Germany (to carry the gas). In the U.K. itself both BP and the Occidental group have completed construction of major oil lines from the Forties Field to Cruden Bay in Scotland and from the Piper Field to Flotta in the Orkneys, while both Shell and BP have now started even more ambitious lines to take oil to the Shetlands from the Brent group of fields (in the case of Shell) and from the Ninian Field (in the case of BP).

The French Total group has virtually completed one line to take gas from the Frigg field which straddles the median line between Norway and the U.K. off the Shetlands to St. Fergus in Aberdeenshire and is well on with a second parallel line. Higher prices and recent exploration success has inspired a steady programme of work to take gas from the Dutch sector of the North Sea to the shore based on the Placid and NAM finds and, in the last two years, Amoco/Gas Corporation has developed with a pipeline the Rough gas field off Easington in Yorkshire. Firm plans have now been announced for piping associated gas from the Brent Field to St. Fergus and, in Ireland, for piping the gas found off Kinsale Head to the Cork coast.

Altogether some 1,400-1,500 miles of sub-sea lines have been laid so far in the North Sea and, on the basis of programmes already underway, this should reach over 2,000 miles by 1980. The effort has absorbed some eight-ten pipelay barges working through the summer and the annual expenditure, at peak, of around £500m. a year. Coupled with platform construction and installation, pipelining has made up the fastest growing and largest sector of the North Sea market in the past few years and is likely to remain so for two or three years to come.

Looking further than that, however, the picture becomes much more uncertain. Potentially there can be no doubt that pipeline work could continue at high levels with ever more ambitious and deeper water projects well into the next decade. The build-up of both associated and non-associated gas production in the northern North Sea set in train by the Frigg and Brent developments is almost certain to be followed by other projects including the possibility, now being studied by a Government-commissioned investigation, of a central transmission system taking in a wide variey of gas finds to north-east Scotland, possibly based on associated gas in the recent Brae discovery east of the Orkneys.

In the Norwegian sector, additional discoveries around the Frigg area and, more important, the large quantities of associated gas in the giant Statfjord field have raised the possibility not only of the small diameter line suggested to take some gas from Frigg across the Norwegian trench to the Norwegian coast but also of a major spinal system based on Statfjord taking gas down to Denmark, the Continent or across to the U.K. On top of this the Gas Corporation has found what appears to be a commercial gas discovery off Blackpool in the East Irish Sea basin; there is the strong possibility of tying addition gas finds to the main lines constructed in the Dutch sector and there are a number of unexploited gas finds in the southern sector of the U.K. North Sea which could either be tied into the existing Bacton or Theddlethorpe lines or, possibly, justify additional lines.

Discovery

A similar picture exists on the oil side. Again the recent Brae discovery by the Pan Ocean group has raised the possibility of a new oil line to the Orkneys, while the Statfjord Field in Norwegian waters will almost certainly demand an oil line eventually, either to join the Brent and Ninian systems to the Shetlands or, as Statoil would prefer, to cross the Norwegian Trench to the coast to the east. There are considerable possibilities of tie-in work with the Andrew and Maureen fields joining into the Forties Field system; of discoveries such as Alwyn joining in to the Ninian system; of Texaco's 15/16 discovery joining in to the Piper system; of the Murchison field joining into the Brent system. And, of course, there are always the prospects that discoveries in the south-western approaches of Irish waters will require new pipelines.

The total work involved in these projects, if they all come to fruition, could represent about double the existing mileage in the North Sea. According to a recent study by brokers Wood Mackenzie some 1,500 miles over and above projects already underway are now on the drawing board or in the possible category, and if the Dutch sector is included and the pipeline work in fields themselves are added, the figure could go as high as 1,800-2,000 miles, representing an expenditure of £1bn. or more, excluding processing and storage facilities onshore.

The problem is that the vast majority of this expenditure is still only in the "possible" category and both its timing and its likelihood remains highly uncertain. And a second question is that, with the construction of new generation barges with much greater capacity than the older generation and with the general slowdown in new investment being felt throughout the world's oil industry, there is a considerable problem of over-capacity of equipment as well as pipe manufacturing.

It is not an easy picture to read, as contractors can say to their cost. Of the possible projects now under study, there is a reasonable certainty of a fair volume of work in tie ins for such fields as Andrew and Maureen, Texaco's 15/16 discovery, Heimdal in the Norwegian sector as well as for individual projects such as the Gas Corporation's Irish Sea discovery. Statfjord will almost certainly promote a major oil line and a major gas line and the confirmation of Brae as an important field does boost the chances of a major gas system in the northern U.K. North Sea at a time when the Government's study, carried out by Williams Merz, is raising substantial doubts on the economics of such a trunkline without a major reserve backing in a single field to base it on.

But the destination of the Statfjord lines—whether the oil line goes east to Norway or west to the Shetlands and whether the gas line goes west to Scotland or south to Denmark, France or Germany—is still very much in the only the more compu[...] the fact that the reser[...] the median line. And as this is so, then it[...] must be in doubt.

In the U.K. sector, [...] pect of a major new ga[...] oil line is poised [...] against daunting costs [...] continuing fact that [...] not quite enough res[...] decisively tip the balan[...] remains a difficult field [...] all the hopes it has ar[...] is by no means certain [...] can provide the bas[...] required. Just as imp[...] the tremendous escal[...] pipeline costs are the [...] difficulties that hav[...] encountered in laying [...] the problems of on-sho[...] ties that have occurre[...] Shetlands have all t[...] move the balance of e[...] away from pipeline in[...] back to tanker transpo[...] at least provides ar[...] cash flow at a lower ir[...] even if it reduces [...] throughput. Pipeline[...] eventually be built [...] cases, but the prospect [...] production may sta[...] mobile platform faci[...] will be tied in to nea[...] through subsea c[...] could well delay the [...] several years.

This in turn must [...] siderable doubts as to [...] a long-term overcap[...] contracting facilities [...] exist. Even on the [...] forecasts it would seem [...] whole debate about th[...] of new generation [...] versus existing ones [...] ship-shaped barges v[...] bottomed or pontoon [...] become all the more [...]

From the techni[...] point, subsea [...] remains one of the n[...] ing areas of offsho[...] From the expenditu[...] point, it remains on[...] biggest markets for c[...] as well as supplies. [...] the planning viewpoi[...] considerable problem[...] all the more dauntin[...] size of the risks inv[...]

Maintenance problems

EACH FACET of the offshore oil programme has brought with it a new set of problems, never before encountered anywhere else in the world. Technology has been stretched to find oil in the North Sea; it is being tested again in the production stage. Increasingly oil companies will have to turn their attention to a comparatively new, but just as taxing, area: the servicing and maintenance of the sub-sea pipelines and the giant production units.

Inevitably the industry is at a lower point in its learning curve when it comes to looking after the platforms and other production facilities. Already it is becoming clear that oil companies may have underestimated the work and capital involved.

The fact that the Department of Energy has recently committed £2.6m. to studies of the behaviour of offshore structures in the hostile North Sea is indicative of the lack of detailed knowledge in certain areas.

The Offshore Installations (Construction and Survey) Regulations, introduced in 1974, lay down basic conditions. Operators must satisfy the certifying authority that [...] forms, sunk in perhaps 500 feet or more of water, will remain safe on location for their 20 to 30 years design life even if they are confronted with a "100-year design wave" of 95 feet and winds of 110 mph. At the same time operators must ensure that structures are inspected and maintained regularly.

Design

A great deal of work has obviously gone into the design of the structures. British Petroleum, perhaps mindful of its contracted drilling barge Sea Gem which collapsed, capsized and sank with the loss of 13 lives in December, 1965, asked Lloyd's Register to assess and classify designs for the four Forties Field production platforms.

The appraisal is contained in a dozen thick volumes; the platforms constructed to the highest standards applied to heavily taxed structures, such as pressure vessels. Other operators have been just as meticulous. The steel used in offshore structures works out 30 to 50 per cent. more expensive than normal because of the care taken to ensure there are no flaws.

But when all this is said and done, no-one can be absolutely certain how the structures will withstand the pounding of 4.5m. waves a year, the low sea and air temperatures, the seabed currents and the normal wear and tear of operations in some of the most hostile conditions encountered by offshore oilmen. This is where inspection, maintenanec and servicing are vital.

Underwater inspection of gas platforms in the southern sector of the North Sea has already revealed structural defects. One major oil company is said to have estimated that in one year, the total inspection and emergency maintenance and repair costs of one of its gas platforms worked out at a third of the capital installation costs.

Clearly offshore servicing work is shaping up to be a major industry in itself. Already some 50 companies in the U.K. are directly involved in servicing and maintenance. The oil industry is still working out the likely annual bill it will have to face. It may have to reconcile itself to the fact that it will not get a true picture until well into the production phase. But once the development is at an advanced stage, say around 1980, oil companies could well be paying £150m.-£200m. a year or possibly more at to-day's prices.

These figures are based on the latest Government estimates that by 1980 around 50 oil platforms will be needed in the North Sea. (So far 23 have been ordered or installed.) Figures I have heard quoted within the Offshore Supplies Office of the Department of

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OFFSHORE EXPLORATION VII

No orders for platforms

OFFSHORE oil in- young enough to the installation of duction platform. leum, to mention pany, made a fine ting film to mark on station of its Graythorp I plat- it every time the orm construction ers a new produc- it creates more itself. In a nut- is are fast running

tform orders were ight major yards ed, two new Scot- igned to fabricate platforms, at and Hunterston, receive their first way things are re seems little e than two orders his year, and even from certain.

nisters have been the oil industry, ying to stimulate a measure of the felt by Govern- ions and the oil general. Mr. edgwood Benn, etary, and his former Minister of State, Mr. John Smith, have each tried the direct approach to oil companies, so far without any apparent signs of success.

Ironically it is the yard that produced that first platform for the Forties Field—and a subsequent one—that is causing most concern: Laing Offshore, at Hartlepool. The third and remaining project—a platform for the Thistle Field—is due to be completed in July when 1,300 men could be made redundant. Now the jobs of the remaining 500 men are in jeopardy. Laing Offshore said that their continued employment depended on them winning a gas production platform contract. This order has now been placed on the Continent.

Speed

It is a grim prospect, not only for Laing but the area in general, for the yard uses a large number of local sub-contractors. But it is also a sad reflection on one of Britain's youngest industries, one which seems ideally suited to a nation with a strong shipbuilding and engineering tradition.

What has gone wrong? Paradoxically, the industry arrived late and was developed at too great a speed, each at the same time. The Government was right to recognise the importance of servicing the offshore activity with a sound platform construction industry which could challenge the Americans and Scandinavians, already in the market. On the other hand, experience has shown that too many yards were allowed to be developed—in spite of the denials by Mr. John Smith. He has argued in Parliament that the industry was damaged as a result of the Conservative administration's failure to ensure adequate capacity for the production of concrete platforms. Six orders were lost abroad, he said, four for concrete platforms at a time when there had been very little capacity in the U.K.

And yet now that Britain has the capacity to build concrete structures, there is no sign of the orders. True, Ardyne Point and Kishorn have concrete production work to take them into 1977, but Portavadie and Hunterston—each developed with Government encouragement and financial support—have yet to get started. Of the steel platform yards, Nigg Bay has one structure under construction, due to be delivered next year; Ardersier is another with one platform to be delivered in 1977; and Methil could run out of work in September.

Together with Graythorp, these yards could produce at least 10 or 11 platforms a year. And yet, even with downgraded Government forecasts, there are 30 platforms at the most to be built by 1980. (At one time—in the heady days of the 1960s—it was estimated that up to 80 platforms would be needed by 1980. In July last year the Government lowered the figure to 43-61, with Mr. Wedgwood Benn opting for 53. So far 23 have been ordered or installed.) And yet it is by no means certain that the remaining 30 will be ordered in the U.K. (Scandinavian contractors are just as hungry for orders) or even needed.

With fully-equipped offshore platforms costing up to £200m. each, oil companies have been looking at ways of cutting development expenditure. Instead of installing two or three platforms on a field, for example, operators might well decide to use seabed well-head systems, perhaps linked to a tension-leg platform. Or they might decide to follow Hamilton Brothers' example on Argyll and use a converted exploration rig for production. Transworld is considering such a scheme for the Buchan Field.

It is likely that BP's Magnus Field will be developed with one of these alternative methods although a decision is unlikely this year. Similarly, it is unlikely that the platform yards will hear much about the development plans from BP and Phillips for the neighbouring Maureen and Andrew fields, Pan Ocean's important Brae Field, or Continental Oil's Hutton Field before the end of this year.

This leaves two potential buyers in 1976: Conoco for the Murchison find, and Shell/Esso. The Shell/Esso partnership might order a platform to increase the production capacity on Cormorant. It indicated towards the end of 1975 that it did not intend to place an order before 1977, however.

On the other hand the duo will have been under considerable Government pressure to speed up its ordering decision.

No doubt the Minister has told companies that when the next round of licences come up for allocation later this year, the Government will look more kindly on those that have ordered platforms in the U.K. and those that are willing to commit themselves to further domestic platform contracts.

But whatever the incentives, companies are not going to be forced into ill-considered contracts merely to bolster the platform construction yards, however much they are anxious to see their survival.

So, in the short-term at least, the Government is faced with a dilemma. Does it allow Laing Offshore to run down its valuable team and thus jeopardise its chance of winning an order later in the year or early 1977? State financial aid is one idea being considered but if it is accepted it will almost certainly be linked with other industrial activity at Graythorp.

Laing has presented its own report to Government on how diversification at the yard could save at least some of the jobs. It has been suggested, for instance, that Graythorp could become involved in fabricating work, possibly on a sub-contract basis, until it receives a major contract of its own.

But Ministers and Department officials are concerned that the yard should not undertake speculative (possibly unprofitable) work which might preclude it from accepting an oil platform order at some later date.

Furthermore, the plight of other yards must also be considered. There are other companies, more comfortably off for work at present, which are concerned that future orders may be directed to the less fortunate ones to the detriment of their own longer term prospects. Time is running out, however; at least for Graythorp. If short-term contingency arrangements are made they must not rule out a wider planning strategy, involving the oil industry, suppliers, trade unions and the Government. But it is pointless arguing over past mistakes.

R.D.

THE OIL DISCOVERIES MADE IN 1975

MONTH	FIND	OPERATOR	COMMENT
January	15/16	Texaco	Possibly commercial
February	14/20	Texaco	Unlikely to be commercial
	16/28 & 29 (MABEL)	BP/Phillips	Could possibly be developed with ANDREW and MAUREEN but find is very small
March	3/4 (1)	Texaco	Possibly commercial
April	2/10	Siebens	Possibly commercial
	9/28 (CRAWFORD)	Hamilton	Possibly commercial
	16/7 (BRAE)	Pan Ocean	Quite likely to be commercial
	210/25 (TERN)	Shell	Possibly commercial
	211/27	Amoco	Possibly commercial
May	3/8 (1)	BP	Could possibly be developed with NINIAN, but find is very small
	9/13	Mobil	Unlikely to be commercial
June	3/2	Conoco	Unlikely to be commercial
	16/22	Total	Uncommercial
	21/2 (1)	Zapata	Quite likely to be commercial
July	3/4 (2)	Texaco	Possibly commercial
	14/19	Occidental	Uncommercial
	15/21 (1)	Monsanto	Uncommercial
	211/13 (1)	Shell	Unlikely to be developed in near term
August	16/7 (2)	Pan Ocean	Possibly commercial over long term
September	15/30	Conoco	Possibly commercial over long term
	211/18	Burmah	Possibly commercial
	211/19 (MURCHISON)	Conoco	Quite likely to be commercial
	211/26	Shell	Unlikely to be commercial
October	3/9	Total	Possibly commercial
	15/13	BP	Unlikely to be commercial
	15/21 (2)	Monsanto	Unlikely to be commercial
November	3/8 (2)	BP	Unlikely to be commercial
December	21/2 (2)	Zapata	Gas/condensate discovery, could possibly be developed in conjunction with the other Zapata find
	211/13 (2)	Shell	Unlikely to be developed in the near term

Source: Wood, Mackenzie.

Maintenance

CONTINUED FROM PREVIOUS PAGE

Energy suggest £3m. to £4m. per platform may have to be spent annually. In the early and late stages of a platform life the expenditure may be even higher.

Various parts of the structures present special problems. On the seabed, companies must keep a careful watch for any changes which might cause instability; grouting under legs must be maintained, for instance. Risers and conductors must also be inspected to the satisfaction of the certifying authority. But oil companies—and their diving contractors in particular—are limited by their existing experience. In many cases divers are venturing into the unknown, operating with extremely limited visability, in areas of restricted manoeuvrability, possibly confronted by uncharted debris. In some cases it is impossible to reach all parts of a structure—a diver on the end of a 75-foot umbilical or lifeline cannot hope to get into the middle of the base of an eight-legged steel structure with a spread of perhaps 240 feet.

As Comex Diving explained: "It is without doubt the scale and configuration of these new platforms will present a number of engineering problems for inspection. One of the more recent concrete structures has a base surface area greater than Trafalgar Square.

"In the past, designers have been unable to assess the requirements of underwater inspection although allowance is to be made in future for such facilities as a saturation diving system mounted on the platform. Also platforms have not been designed with any allowance to the problem of access to underwater structural and operational components."

This shortcoming applies to the structures' legs. Apart from the difficulties with access, a diver is posed with the problem of identification, operating as he is in extremely poor light in three dimensions. How does he know which part of the structure he is looking at? This was one of the problems which became apparent when the Frigg Field "DP 1" platform was accidentally sunk in the wrong place. Divers found it difficult to ascertain where the damage had occurred.

A big platform may have 1,200 members and 300 "nodes" where they join together. Perhaps more thought should be given to assisting divers locate and identify the various platform components. A numbering system is one suggestion that has been made. It must be in the oil industry's interest to help, for saturation diving is about the most expensive operation, per man-hour, in the North Sea.

Corrosion, whether it be caused by oxidisation or sulphides is an ever-present menace in the North Sea, particularly at the top of the structure in the so-called "splash zone." This was brought home to the industry towards the end of last year by the front-page newspaper headlines: "Oil pipe corrosion caused rig explosion." It was found that a feeder pipe which had exploded on the Ekofisk Field's Alpha platform had previously been struck near the water line. A vessel had damaged the protective jacket of concrete and, inevitably, the soft bitumin corrosion-preventing coating around the pipe itself.

Corrosion experts had been saying for some time that not until the offshore industry had efficient ways of detecting and monitoring corrosion would it be sure that it could take action in good time.

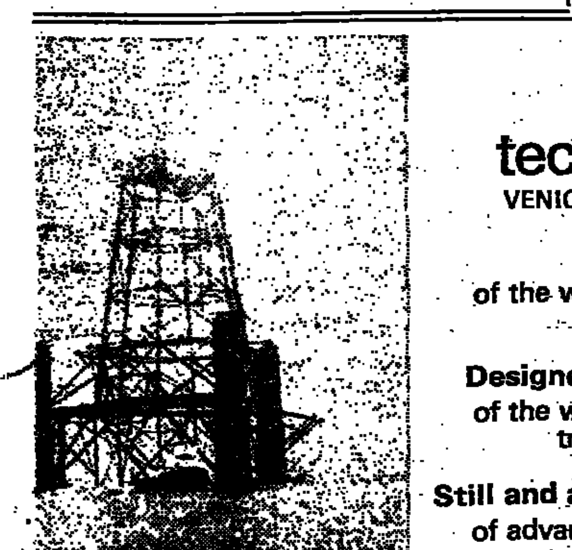
Oil companies may well decide to put a corrosion free coating on its structures—another expensive exercise—but they cannot afford to run the risk of penny-pinching when it comes to inspection, servicing and maintenance.

The industry's awareness of this fact was indicated by its change-of-mind over the issue of building a specialised fleet of fire fighting vessels. At one stage the U.K. Offshore Operators Association was looking at the possibility of buying at least four new purpose-built vessels which would have cost the industry in the range of £30m. to £50m.

But when it became apparent that the vessels would have to spend long periods as floating maintenance and services bases as well, the industry had a change of heart. The operators decided to go their own way, to order vessels which were most suited to conditions in their particular patch of the North Sea. Hence BP is to use a converted oil tanker for Forties Field operations, while Phillips has opted to use a semi-submersible vessel for work on Ekofisk.

The outcome of all this is that there are likely to be many more such vessels operating in the northern waters of the North Sea than had been envisaged earlier. This could well prove to be the hallmark for all of the industry's offshore servicing plans.

R.D.



OFFSHORE EXPLORATION VIII

Safety a major responsibility

"WHEN WILL an oil platform fail?" was the provocative title of an article in the New Scientist earlier this year, in which two research workers at University College, London, questioned the design integrity of the North Sea structures. They drew an analogy with bridge design in which "every 30 years since 1847 a large metal bridge of a new design has collapsed, often with a heavy loss of life." Investigation of steel oil rig design "strongly suggests" that it was going the same way as five generations of metal bridges, they alleged. Similar charges were levelled at a conference on offshore structures called by the Underwater Engineering Group of the Construction Industry Research and Information Association (CIRIA) in London in February. The U.K. Government was then accused of failing to ensure that the offshore construction industry received the results of research it was sponsoring into the novel—and very hostile—environmental conditions North Sea structures were meeting.

The charges prompted the Government to publish details of its research support for fixed offshore structures. Over the next three years the Department of Energy plans to spend £2.3m. on steel structures; and will contribute two-thirds of the cash for a £300,000 study of concrete as an offshore structural material, with CIRIA finding the rest. More than half of the total research cash will be devoted to the U.K. offshore steels research programme, a two-year study of steels and steel welds destined for long service in the icy and highly fatiguing conditions of the North Sea, where a structure can expect to be rocked by 4.5m. waves a year.

In their New Scientist article on structural safety the University College dons asked: "Where and with whom does the responsibility lie"? They acknowledged that those who appeared to be best placed to bear it were the classification societies such as Lloyd's Register of Shipping, who "have a responsibility to involve themselves in research policy and prevent the use of out-of-date analysis."

Fitness

Lloyd's Register is one of five certificating authorities appointed by the Department of Energy under the Mineral Working (Offshore Installations) Act in 1974. Under the Act offshore operators in U.K. waters can operate platforms, rigs, pipelines, mobile structures, etc. only when they have received a "certificate of fitness" issued by one of the classification societies on behalf of the Secretary of State for Energy. One of the first tasks under the new Act was to reassess the safety of existing offshore structures, some of which had been in service in the southern part of the North Sea for up to ten years. Lloyd's Register, as the only U.K.-based society, undertook the great majority of these appraisals.

What the society found was surprisingly reassuring. In two cases only had steel members fractured and there was no time to effect repairs before the "weather window" closed last summer. So the structures were re-analysed by computer on the assumption that the cracked members were absent. In each case enough redundancy existed in the design to permit the society to issue a "certificate of fitness," albeit with some restrictions on the sea conditions under which they would have to be demanned. The structures continued to operate without incident throughout last winter, and repairs will be made when the "weather window" reopens this spring.

According to Lloyd's Register, although the certificating authorities specified many modifications required to bring the offshore structures up to the new standards of safety in such respects as fire, in no case was it necessary to withhold a "certificate of fitness."

The society's records show that in the seven-year period from June 1967 to June 1974 there were a total of 28 major accidents to jack-up structures worldwide. But of the 16 total losses, 11 were caused by bad weather while the structure was being towed, and five were caused by blow-outs. The casualty rate, according to Mr. Pat Smedley, head of the society's offshore services group, is about four times at great as the rate for merchant ships under U.K. and U.S. flags over the same period. The casualty rate for semi-submersibles is about 20 per cent. lower than that for jack-up structures. Between them, the two kinds of offshore structure amassed losses exceeding £51m. over the seven years.

Thus there is clearly a case for improving the safety of offshore structures. The argument centres on what should be the focus of concern at present. Is it, as most of the industry's critics suggest, the new oil structures now being installed? Mr. Smedley's team has undertaken a majority of the new classification work in U.K. waters, on concrete as well as steel platforms, destined for the rougher waters of the northern North Sea. Here the structures are considerably bigger, and more complex, with provision for example for drilling as many as 60 wells from a single platform. They are also located in much deeper water and this factor, together with their greater complexity, renders them much less readily accessible to periodic inspection.

British Petroleum in 1971 asked Lloyd's Register to assess and classify its design for the four production platforms it was planning for its Forties Field development, the first venture into the more northerly waters. The company wanted a much more painstaking appraisal than had hitherto been accorded offshore structures, more akin to procedures adopted for nuclear plant. It even included assessment of the quality assurance procedures at the two sites where t[…] forms would be assem[…]

Behind BP's concer[…] traumatic experience in […] 1960s, when Sea Gem, […] built self-elevating […] barge on lease to the […] collapsed, capsized and […] the North Sea with th[…] 13 lives. Lloyd's Regist[…] by BP to investigate […] dent and report on its […] the official inquiry, four […] words of Mr. Smedley, […] tion that "told a grea[…] woe." The inquiry's rep[…] recorded "widespread […] gration of the structu[…] brittle was the steel str[…] Sea Gem that, without […] in relatively calm cond[…] broke up and was pre[…] to the sea bed in what […] ness likened to a "[…] broken glass."

Sophisticate[…]

As a result of its […] ment with the Sea Gem […] and subsequently w[…] Forties Field certifica[…] society has built up […] perhaps the most sop[…] system in the U.K. […] analysis of offshore s[…] deriving from its expe[…] computer analysis of […] and machinery desig[…] back to 1963. This […] based on an IBM 370 […] computer, two DEC […] computers, and sever[…] machines. It employs […] of programs speciall[…] for the purpose, […] LOPS analysis of fixed […] structures which inclu[…] active computer gr[…] assist strength, fati[…] vibration analysis. Po[…] ing programs are used […] the calculated stres[…] design against those […] by the society's own […] latest programs a[…] society's assessors to […] in ten hours analys[…] only a few months […] taking as long as thr[…] weeks.

David F[…]
Scie[…]

New licence areas

THE FIFTH round of U.K. offshore licences, expected to be awarded later this year, will lay down from the outset new ground rules for operations. Neither Government nor oil companies can want a repeat of recent experience in which licencees have been expected to agree voluntarily to a renegotiation of existing terms, on the lines of state participation. Through a mixture of cajolery, persuasion and a measure of arm twisting, the Government has notched up its first few successes but it is a complex and somewhat tortuous exercise.

What is clear is that participants in the next round will have to accept the concept of participation from the start. In view of the apparent Government reticence to spend taxpayers' money on acquiring a stake in the North Sea, it is likely that this will take the form of "carried interest" the British National Oil Corporation will have the option to buy oil once a discovered field starts producing rather than investing in licence blocks from the beginning. Furthermore, oil companies may have to accept some form of BNOC presence on operating committees.

Consortium

It is almost certain that BNOC will be urged to explore for oil and gas on its own account, either as a sole licencee or, more likely as a member of a consortium. In this respect the pattern has been set for the Continental Oil/Gulf/BNOC trio have already notched up a number of noteable North Sea successes. Indeed Conoco and Gulf were the first to concede participation in its offshore fields, acceptance which has assured the companies of a favourable hearing when the new licences are allocated.

For good measure the Conoco consortium is the first to use a fully unionised drilling rig (the semi-submersible Dundee Kingsnorth) for offshore exploration. Here again, it may well have anticipated the trend. Trade unions are increasing pressure on the Government to compel North Sea oil operators to grant recognition on rigs and platforms and this may well emerge as one of the conditions in the fifth round of licences. In addition oil companies will probably be asked to give an undertaking that whenever possible they will order equipment in the U.K.

The terms of the new licences may still be hazy but at least this is more than is known about the likely location of fifth round concessions. As a result oil companies—at least the majors like BP, Shell and Esso—have had to make a fairly basic, blanket survey of prospective areas around the coast; none can be discounted at this stage.

While the gas producing areas in the Irish and Southern North Sea sectors may again feature in the allocations, they are more likely to tempt British Gas and its exploration partners than major oil companies. The majors have raised doubts about their ability to realise attractive enough prices to justify investment.

Much more tempting should be the Moray Firth Basin in the Northern North Sea. A cluster of unallocated blocks lie immediately to the west and north-west of the Claymore Field although the number of potentially attractive blocks is limited. The presence of major oil companies in the vicinity indicates that there is more oil to be found in the basin and the allocation of blocks in quadrants 13 and 19 might create keen interest.

If the Moray Firth area is included in the fifth round—and generally the oil industry feels it will be—then it is probable that the Government will favour the major companies, those that have the muscle of financial and technical resources. Certainly, these are the ones which have assembled most of the geological and geophysical data about the North Sea.

Marginals

Most of the big fields have now been found; it is unlikely, for instance, that there is more than one major new field of the size of Ninian or Piper still undiscovered. Consequently, most of the future discoveries will be of 400m. barrels of recoverable reserves or less, the so-called marginals. In the main, it will be the major groups which will be able to locate and develop these finds most efficiently.

Not that the smaller, entrepreneural groups will be excluded from the fifth round; indeed, they may well feature in any allocation of blocks in the Western Approaches where prospects are encouraging although far from defined. Consequently the smaller companies start on a more equal footing with the majors.

The discovery of traces of oil 25 miles north of the Brittany coast, in a French exploration area, has heightened interest in the Western Approaches. However, the discovery in a Franco-British consortium's Lenkett One concession is encouraging from the point of view of the area as a whole—i[…] proves oil is around. […] itself was not a partic[…] prospect.

Any allocation in th[…] Approaches is likely […] clear of the disputed […] areas currently being […] by the British, Fr[…] Irish Governments. […] possible that the Fr[…] be insisting that Br[…] not allocate a block […] miles of France's clai[…] tory: after all, this wo[…] a similar directive alr[…] by the British to Fra[…] result possibly the m[…] tive prospecting are[…] left out of the fifth […] major oil bearing st[…] believed to lie al[…] might become the bou[…] between France and […] Nevertheless, there […] interesting structure[…] tested in the area.

At one time it wa[…] that the Government […] sidering a large scale […] of blocks covering m[…] all, of these general e[…] areas. Recently, howe[…] have been signs that […] may have had a chang[…]

It seems unlikely […] Government will risk […] of the second round e[…] in 1965, when no less […] blocks were put up […] and only 127 were ap[…]

More should be kn[…] It was expected that […] licence areas would b[…] ced this spring and al[…] the autumn. However, […] table may well ha[…] pushed back by the ne[…] over offshire bounds […] participation and by t[…] lation of new policie[…] and gas exploration.

TY TO-DAY: GOVERNMENT PAY STRATEGY

BY JOE ROGALY

The Ancient Mariner of Number 10

SE of Mr. James ew administration ver the decline of nake the process ian it might other- 1 if possible to rst of it from the ople. This is the it is suggested by delivered to the hop. Distributive Vorkers in Black- y. For it was his atement since the e Prime Minister, othing about the of Britain—and out a policy of wn as gently as s does have the ntinuity, as the erfected by Mr. edecessor, who in cided that easing a formerly great e highest possible political realists. terms the speech ceed; that is the it was designed union acceptance to Mr. Healey's luctions in return to keep wage i to 3 per cent. ie approach was the new Prime aged to flatter ("Alf" Allen. e TUC Economic less than three rst six sentences. s prepared notes. approaches can

indications are comes out of the be hailed as a is 4 per cent., , or even some- higher, every this particular smile and look wise and say: "You see, the Labour Government knows how to handle the trade unions." The trumpeting of the "success" of £6-a-week will be redoubled, and if the holders of sterling fail to respond by buying back what they have recently been selling such people will feel hurt, and look puzzled, and ask —"now why is that?"

The answer may help to explain why the proposed pay deal is so tragic: it does not solve our fundamental problems, but it does help to remove the immediate sense of crisis that in happier times might have led other men to try to win public favour for serious long-term solutions. How can this be explained to the new Prime Minister better than in his own language? Mr. Callaghan—Sailor Jim as the popular headlines call him—is fond of nautical metaphors. The future will be stormy, he said on Sunday. "I am not going to guarantee that you will not be seasick," he added, "but I will guarantee that with combined effort we will get safely to port." The Ancient Mariner—as he might better be called—would recognise the lines that more truly describe our position to-day:

Day after day, day after day,
We stuck, nor breath nor motion;
As idle as a painted ship
Upon a painted ocean.

And for those who prefer arithmetic to metaphors, there are the sums that it seems only Prime Ministers forget. In the quarter following the Labour Government's return to power in October, 1974, industrial production — all industries seasonally adjusted — fell to the level recorded in the first quarter of 1974, the quarter of the three-day week and the

Terry Kirk

"A Left-Wing conservative?": The new Prime Minister leaving Transport House yesterday after further talks with TUC leaders.

miners' strike and all the rest. It has since fallen steadily, and although there are now signs of an incipient recovery we are still doing considerably worse than we did during the quarter of the three-day week. The central government borrowing requirement for the financial year 1973-74 was £2.18bn.; it is now running at a level six times as high as what was then a crisis pitch.

If you take a longer view the picture seems even worse. The average growth of our gross domestic product (at constant factor cost) was around 1½ percentage points a year between 1970 and 1975, which is even worse than our post-war norm of just about twice that. Nothing that the new Prime Minister has yet said or done gives confidence that he has the necessary will to try and improve upon this miserable performance in the second half of the decade—the one that seems destined to become a lost decade.

If we persist with present policies we are stuck, as idle as that painted ship. Never mind the macro-economic models, or the economists' theories—simple social observation tells us that no incomes deal could survive any serious resumption of a respectable rate of growth. Once the demand for workers picks up, and overtime increases and shortages of skills appear, it will be the same old story and everyone knows it. No beating of breasts and proclamations of triumph over the announcement of a "son of £6" wages policy can change this view; experience has been a long, hard, and unrelenting teacher. We either move ahead and see wages explode, or stay where we are, and pretend that paper agreements with the unions (which reflect rather than solve our problems) constitute a new beginning.

The reason for this sad state of affairs is political. The Conservative Party seems to have receded into a state of permanent "me-tooism" while Labour is still unable to change anything because it is so closely bound by its fear of internecine strife. The Ancient Mariner at No. 10 Downing Street will recognise the verse:

And every tongue, through utter drought,
Was withered at the root;
We could not speak, no more than if
We had been choked with soot.

Some members of the present Government do understand both the dangers we face and the means of moving from a strategy of palliatives to one of radical change. Yet none of them seems to have the courage to speak; perhaps they fear their trade union brethren too much. Their tongues are choked.

Take, as an example, housing. This is no small matter. It is a £4bn.-plus programme, nearly twice what it was in 1971-72, at constant prices. Because it is a political priority the commitment is open-ended: £2.6bn. of the housing budget is specifically excluded from the new cash limits that have been laid down, *inflation permitting*, for 1976-77. Many officials, and not a few Ministers, know well that we should now stop building public housing. There is a growing surplus of houses, nationally, and while the needs of homeless people in some areas are genuinely pressing these could be better dealt with directly (perhaps by income support, perhaps by renovation and re-allocation).

An announcement that expenditure on housing would be returned forthwith to the level of 1972-73 — thus saving well over £1.5bn. in public expenditure, would do more to steady *the pound than six speeches by* our Ancient Mariner. It cannot be done because it might upset the "social contract," which shows how costly and wasteful these deals between unrepresentative trade union leaders and a minority Government can be. Another reason it cannot be done is that it is thought that public spending on housing is "good."

The economic absurdity of these notions should be plain from five minutes' reflection upon the figures. The social absurdity is well illustrated by, say, the "General Letting Conditions" of the London Borough of Islington, which have been lent to me by a friend who recently moved into a council dwelling in that borough. There are 55 of these conditions, on a grey cyclo-styled sheet. He must clean his windows once a week and hang clean curtains over them, but he may not, without the previous written consent of the council, instal an aerial, or telephone, or keep flower pots on his window sills, or put a shed in his tiny garden.

The trouble with people who will not see the logic of this is that they are so deeply conservative that no new thought seems permissible. To the "left", in this country, council housing means helping the poor and nothing will change that, even though as the rules of Islington show it means treating adults like children, and as the books of Islington and a hundred other boroughs show it means spending billions in the most wasteful and uneconomic manner we could possibly devise—without actually helping the worst-housed people into better accommodation.

This "left wing conservatism" (*would Lenin have called it a* senile disease?) is at the root of many of our problems. It is the phenomenon that causes people to believe that you are really saving jobs when you pay British Leyland workers not to make as many motor cars as their competitors and to go on strike every time someone blows his nose. It has led the Department of Education to turn two blind eyes to the pernicious effect of fun-play teaching methods most recently exposed yesterday. It led the Cabinet of summer and autumn 1975 to insist that if only Labour followed the same policy it has followed since 1945—keeping wages back and public spending up—all would be well in the end; the relative restraint that was eventually agreed is as we know, not for this year.

Tucked away at the bottom of his speech-notes, Mr. Callaghan did put in a line about how "it would be wrong to place the burden of putting the economy to rights wholly on a voluntary incomes policy, as though that and that alone will do the trick." He went on to list other areas of Government responsibility: prices, pensions, profits, industrial democracy, employment, public expenditure. There need be no doubt that each of these will in some way be tackled, in turn, in a robust-sounding speech at some time during the coming months.

The trouble is that because of the deal with the unions each can only be tackled in the way the unions allow. This is to reinforce left-wing conservatism with left-wing reaction. It is part of the price of our evolving corporatism, another example of our eroding freedom. In such circumstances it is too much to hope for new beginnings: the strategy of easing the process of turning us into a nation of which the rest of Western Europe may become slightly ashamed is the most to which such a Prime Minister, imprisoned by such a party, can aspire.

Letters to the Editor

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with the diagnosis of the world's (April 21) but sides to the medal efusal to delegate rol over the inter- market. In the litional importers, ng among them, suing agricultural at high cost self- the other hand ntries which had applied a signifi- foodstuffs to the narket have either exports or termi- ogether and many et importers. In- stricted access to al markets had a this but one must e that economic veloping countries ed to industrial id not favour frod- n as much as they

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le scheme has or ted by exporters s are also needed. porters might be ards playing a e than in the past. rden of holding ivily on the ex- in the present ined by high iciency prevailing oped regions, the onal importing not be willing to at cost to them- nly of something uce internally at er cost. It might it's true.

he solution? Only e and substantive ith everybody's under inter- l and a balanced nsibilities. The ation of develop- both importers on the basis of ent, and with ern for those in trouble regarding ave to be in- e broad lines and uch an ambitious ssible, agreement be worked out at AD session next irobi or at the of the World n June, where a nference can be recise terms of a concrete dead- sion.

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bson.

I received a leading firm of nodity merchants concerning the EEC skimmed milk powder deposit scheme, from which I quote as follows:

"From what we have been able to observe since the implementation of the scheme, it seemingly has not very much affected the normal trade in feed ingredient commodities. Frankly, for us it is hard to understand how this system is going to do anything except cost the EEC taxpayers a lot of money and increased food stuff prices. . . .

As far as we know the production of skimmed milk powder continues unabated under the present price subsidy system at the rate of about 100,000 tons monthly.

If you can throw some light for us on how the system is supposed to reduce the milk powder surplus, please do so."

I would be grateful to receive any reasonable explanations from those purporting to understand the logic which motivated the scheme in order that I can reply sensibly to my correspondent.

John S Robson,
S. W. Keene and Co.
Prescot House,
Prescot Street, E.1.

Immature students

From Miss K. Campbell

Sir,—It is hard to do anything but admire Mrs. Shirley Hamilton's letter on education (April 24) but may I make one suggestion, arising from her remarks on the number of "immature" students who undertake degree courses in social sciences and the arts. This is that these courses could well—at least until the time of the final examination approaches—cease to be full-time. Most jobs are now on the basis of a five-day week with generous leave, and the working student, with his feet on the ground of the practical working world, would tend to become less immature and would be taking his degree from conviction, not because he wished to be "a student."

If such a distinction between arts and science degrees encouraged a bias towards the latter, this would be all to the good; there is no discipline like science discipline, and, as Mrs. Hamilton remarks, it is comparatively easy for a student, later in life, to take up "the arts"—and quite often this is done on a part-time basis.

K. E. Campbell.
46, Huron Road, S.W.17.

South African wages

From Mrs. M. Lipton.

Sir,—Mr. Vashee's comments (April 22) on my article and letter about South African wages raise some important issues. Rapid population growth does reduce per capita gains from higher wages. Between 1964 and 1974, however, Whites as a proportion of total population declined only from 17.5 to 16.7 per cent.; Blacks increased from 70.7 to 71.2 per cent. This obviously does not wipe out the larger change in the share of total disposable income: on a per capita basis, the ratio of White to Black income declined from 12.4 to 1 to 10.9 to 1. This happened *despite* the fact that up to 1970 White wages rose faster than Black. The subsequent narrowing is due partly to much faster wage increases for Blacks since 1970; partly to rapid job creation and the movement of Blacks out of the low-wage primary, and into the higher-wage urban sectors—gains which are not reflected in a sector-by-sector analysis. A ratio, however, of 10.9 to 1 between people of different colour remains morally indefensible and socially explosive. My argument was that (a) this is now changing and (b) despite this Blacks have made large absolute gains.

The view that my analysis rests on a "tiny statistical basis" is surprising. The wage increases cited apply to almost 80 per cent. of economically-active Blacks roughly 0.6m. in mining, 1m. on White farms, 1.5m. in industry, Government and commerce (the 260,212 Blacks in commerce account for 4.5, not 0.1 per cent. of economically-active). There are no wage figures for domestic service or Bantustan agriculture.

Mr. Vashee overlooked my comment on food prices. It is only since 1972 that food prices have risen much faster than *general prices*. If, as I suggested, he deflates the recent rise in Black wages by food prices alone (which would *understate* real gains), he will still find a rapid real rise.

It is true that when the ratio is very wide, as in mining, the absolute gap can, for some time, continue to increase even while the ratio narrows. But only a static analysis fails to see that this will change over time. This is happening already in construction, commerce and Government service, where the *real* gap has narrowed. Because of inflation, this has been obscured by the large cash increase, creating the illusion (in *money* terms) of a wider absolute gap.

Blacks in South Africa suffer from very severe discrimination and disabilities. But recent research provides increasing evidence that—along with continuing hardship—many Blacks have made substantial gains in living standards, first absolutely and now even relatively. Observers who refuse to take account of both these sets of facts will—apart from proving their disrespect for evidence—fail to understand what is happening in South Africa.

Merle Lipton.
15, Eaton Place,
Kemptown, Brighton.

Concrete floors

From the Chairman,
Federation of Concrete Specialists.

Sir,—Thank you for printing my letter (April 23) under the heading "Concrete Floors." An unfortunate misprint, however, completely altered the text in the fourth paragraph, referring to a better material, which reads ". . . now available at an extra cost . . ." whereas my letter stated ". . . now available at no extra cost."

C. A. Rackham.
60, Charles Street,
Leicester.

Reaching equality

From Mr. D. Robb.

Sir,—Why is there any surprise at the fall in the value of the pound? Is there any good reason why the pound should be worth more than one dollar by this time next year, or more than one Lira in a few years time?

A system which continues to subsidise a growing number of loss making industries, which resorts to "job creation" to disguise unemployment by creating unprofitable employment, where an ever-growing bureaucracy offers better job prospects than can industry, is an economy where spending exceeds income and inflation must follow. To hold down wage levels artificially is as effective in containing inflation in anything other than the very short term as is a dam built in the sand effective to withstand the incoming tide.

When in addition the system sets out to remove all incentive to effort, all reward or hope of it from the small percentage of wealth creators, so that those who refuse to be held down must increasingly look abroad to satisfy their ambitions, then all that one *can foresee for England is an* increasing clamour for a greater share of a fast diminishing cake.

Given the current political philosophy I do not doubt that the goal of equality will be reached. It will however be equality of poverty, and before too long at a level which will prevent us from going abroad to see how far the rest of the free world has left us behind.

D. B. Robb,
The Old Vicarage,
Burbage,
Marlborough, Wilts.

A director's background

From Mr. J. Bennett.

Sir,—I attended an annual meeting recently of a company in which I hold shares. A formal resolution appeared on the notice of the meeting for the re-election of a director.

Such a resolution is proposed by one member of the Board, seconded by another, and the shareholders are then asked to vote in favour of it. In my view this should not happen without shareholders first being given some indication of the qualifications, background and experience of the candidate and if they wish it they should have the opportunity to question him.

It seems to me that it is both indolent and possibly negligent for shareholders to vote for the re-election of a director on the nod and without proper information and inquiry into his background, qualifications and fitness.

If this information is not provided in future, I give fair warning that I shall formally ask for these details at the meeting though I regret that this might cause embarrassment that could have been avoided had shareholders received proper advance information.

John D. G. Bennett.
Am Tigh Ban,
Little Cranmore Lane,
West Horsley, Surrey.

You have been warned

From Mr. P. Hardy.

Sir,—Sterling is falling sharply. Why? Inflation of course. But why is our inflation rate so high? Because as a nation we spend too much. £12bn. per annum too much. Put into perspective that is over £4 per week per head of the population. Put it another way, the average disposable income per household is £75 per week. Thus the overspending per household (2.9 persons) is £12 per week, or 17 per cent. of its income. We cannot go on like this. We must either spend less or pay more tax. Spend less? Goodness no—think of the unemployed it would create. The alternative therefore is increased taxation. Beware, *you have been warned!*

P. B Hardy.
Shorne Mead,
Pear Tree Lane,
Shorne, Kent.

To-day's Events

GENERAL

Mr. Denis Healey, Chancellor of the Exchequer, discusses wages policy with TUC leaders.

Mr. Anthony Wedgwood Benn, Energy Secretary, addresses annual conference of Midlands Area, National Union of Mineworkers, Southport.

Doctors lobby MPs at House of Commons while Health Services Bill receives second reading.

Mr. Jeremy Beckett, chairman, Ford Motor Company, and Scottish Office officials give evidence to House of Commons Select Committee regarding public expenditure on Chrysler U.K.

Mr. John Stonehouse, MP, appears at Old Bailey on charges of forgery, conspiracy and theft.

CBI delegation led by Sir Ralph Bateman, Confederation's president, begins two-day talks with Keidranen, Japan's federation of employers' organisation.

Lord Nelson of Stafford, GEC chairman, gives opening address at symposium on Reviving U.K. Economy—What can Automation Offer? at Institution of Electrical Engineers, W.C.2.

Sir Lindsay Ring, Lord Mayor of London, is guest of honour at Association of Certified Accountants' dinner. Fishmongers' Hall, E.C.3.

Union of Shop, Distributive and Allied Workers' conference, Blackpool.

National Union of Journalists' annual delegate conference, Buxton.

Royal Society of Health congress, Eastbourne.

PARLIAMENTARY BUSINESS

House of Commons: Health Services Bill, second reading.

House of Lords: Companies (No. 2) Bill, third reading. Public Lending Right Bill, committee. Bail Bill, report stage.

OFFICIAL STATISTICS

Housing starts, completions and grants (March—provisional). Slum clearance (first quarter—provisional).

COMPANY RESULTS

Lead Industries Group (full year). Marks and Spencer (full year). Yarrow (half-year).

COMPANY MEETINGS

Broadstone Investment Trust, 120, Cheapside, E.C., 12. City Offices, Palmerston House, E.C., 12. First National Finance, Winchester House, E.C., 2.30. Lambert Howarth, Burnley, 12. Mercantile Investment Trust, Winchester House, E.C., 10.30. Needlers, Hull, 12. Scottish Widows, Edinburgh, 2. Shakespeare (Joseph), Dudley, 12.15. *Spirella, Manchester*, 12.45. *Sungei* Krian Rubber, Plantation House, E.C., 12.30.

SPORT

Golf: Northern open championship, Balgownie. Tennis: Sutton tournament. Boxing: British middleweight championship, Alan Minter v. Billy Knight, Royal Albert Hall.

COMPANY NEWS + COMMENT

EIS on target with record £1.14m.

FOR 1975 Electrical and Industrial Securities reports an upsurge in pre-tax profits from £0.79m. to a record £1.14m. and the directors say that, if the continued moderation in wages is maintained, they look forward to a continued rise in output and profits in 1976.

At halfway, when reporting an advance from £359,800 to £553,800, they said that results for the second half could repeat those of the first.

Earnings per 25p share are stated at 5.582p against 3.72p and the dividend total is raised from 1.967p to 2.437p with a final payment of 1.625p net, for which Treasury approval has been given.

	1975 £	1974 £
Turnover	9,789,313	7,137,216
Interest received	70,294	81,657
Pre-tax profit	1,135,312	787,164
Tax	513,733	368,406
Net profit	621,579	418,758
Extraordinary credits	15,836	168,654
Retained	358,449	350,267

● **comment**

Electrical and Industrial's 1974 growth rate was more than maintained last year when pre-tax profits rose 44 per cent. and trading margins gained a full point. A slackening of profits growth was evident, however, in the second half and although much of this can be put down to the group's holiday pattern and to distortion from the bigger contracts now being handled by Hargreaves, it also probably reflects some falling off in North Sea business as platforms are completed. Still, with exports up another 33 per cent. to £2.4m. (after the 150 per cent. rise in 1974) it looks as if Middle and Far East oil activity, where the group has deliberately concentrated marketing efforts recently, could more than compensate. Further growth prospects could also centre on the U.S. agricultural market for Kontak's hydraulic valves. Meanwhile, with the laundrette supply company sold off, the cash position has improved from £1.09m. to £1.45m. and the group remains acquisition minded. The dividend is now fully restored giving the 43½p shares an 8.9 per cent. yield covered 2.3 times. The p/e is 7.5.

INDEX TO COMPANY HIGHLIGHTS

Morgan Grenfell growth

AN £850,000 ADVANCE in net profit to £1.98m. for 1975 is reported by the Morgan Grenfell (Holdings) group. The profit was struck after tax and transfers to inner reserves, and included £52,445 (£171,406) share of associates.

Chairman Mr. J. E. Collins says that in the more settled conditions the company was able to transact a greater volume of business. A further expansion in the banking book, yet more activity in the Export Credits field and better margins, particularly in eurocurrency, all contributed to record figures achieved by the banking division.

The corporate finance side was very busy. The investment sector was largely reorganised; the number of corporate pension funds under management increased substantially and the management of unit trusts available to the public was discontinued.

Regarding overseas ventures, Mr. Collins says it has on the whole been a year of consolidation.

Total assets at the year end expanded from £447.2m. to £536.3m. Shareholders funds were £22.3m. (£20.2m.) and deposit, etc., accounts came to £406.7m. (£318.8m).

Smith St. Aubyn expansion

AFTER TAX and rebate, and transfer to contingencies reserve, taxable profit of Smith St. Aubyn and Co. (Holdings) for the year to April 5, 1976, amounted to £1.36m. compared with £1.15m. for the previous year.

The final dividend payment is 2.38p net, effectively stepping up the total from 3.567p to 4.08p.

The company operates as discount brokers and bankers.

	1975-76 £	1974-75 £
Profit	1,355,080	1,146,000
Pref. div.	11,340	11,340
Ord. interim	153,600	180,000
Final	257,040	285,200
Capitalisation	900,000	—
Forward	1,490,648	1,477,628

● **comment**

An 18 per cent. increase in net profits from Smith St. Aubyn is clearly more impressive at the pre-tax stage, for the comparable figure was subject to an abnormally low tax charge after the previous year's losses, whereas the latest figure is after a more normal deduction. These results have given the company room to bump the dividend up by 15 per cent. to give the shares at 65p an above average yield at 10 per cent. An upward jump in the MLR, such as occurred last week, makes for initial losses from the discount houses, and the market is always vulnerable in this way, but the company feels confident that it will produce "adequate profits" a year from now, though this is not a sector for forecasting.

Peak sales and exports by Camrex

AFTER HEAVIER depreciation and interest charges, and exceptional debits up from £93,000 to £250,000, pre-tax profits of the Camrex (Holdings) group amounted to £1,206,000 for the year 1975, compared with £1,501,000 in 1974.

The year saw another record in turnover, up by 35 per cent. to £20.8m., and in exports, which expanded by 82 per cent. to £7.5m.

The directors say it was a difficult year, and that 1976 "will be no easier." However, with its specialised skills and the worldwide spread of activities, the group will give a "good account of itself," they add. Activities comprise paint manufacture corrosion engineering and contracting.

	1975 £000	1974 £000
External turnover	20,839	15,462
Profit	2,382	2,391
Depreciation	573	419
Interest charges	529	416
Exceptional debits	250	93
Balance	1,011	1,363
Investment income	195	138
Profit before tax	1,206	1,501
Tax and minority	832	836
Attributable	374	665
Dividends	226	150
Retained	348	515

After tax and minorities, the 1975 net balance was £574,000 compared with £665,000.

A final dividend of 1.613p per 20p share lifts the net total from 2.77p to the maximum permitted 2.953p, taking £226,000 (£150,000).

● **comment**

The main points about Camrex's results are the lack of recovery in the second half and the fall in exceptional items. The second half was hampered by higher depreciation on new plant for the large Humber Bridge contract plus a new laboratory, so the benefit of higher sales did not filter through. However, with over a third of sales outside the U.K. and margins protected by escalation clauses against inflation and currency depreciation, the prospects for 1976 look slightly better. But the shares, up 3p yesterday to 45p, with a yield of 10½ per cent. are unlikely to be re-rated until the shipping cycle shows real evidence of recovery. Meanwhile, the exceptional provisions for remedial work on previous year's contracts have at last been fully dealt with.

Bryant first half upsurge

BUILDING contractors, civil engineers and property developers, Bryant Holdings, reports first-half pre-tax profit up from £0.68m. to £1.03m.

And prospects for the full year "are excellent," the directors state. Present estimates indicate that profits for the second half will be in excess of those for the first. Profit for all the year to May 31, 1975 was £1.56m.

The interim dividend is lifted from 0.7166p to 0.7883p net per 25p share and the directors expect to pay the maximum permitted total—last year 1.839325p.

	Half year 1975 £000	Half year 1974 £000	Year 1974-75 £000
Turnover	27,400	21,800	45,008
Operating profit	1,150	690	1,577
Share losses assoc.	125	10	21
Profit	1,025	680	1,556
Taxation	598	354	908
Net profit	427	326	650
Pref. div.	7	7	14
Ordinary	138	143	367

Private home sales were "most satisfactory" and with the continued flow of savings into the building societies the outlook is good.

Despite the general recession in building and civil engineering contracting work, the order book is substantial and construction is proceeding profitably.

Several good lettings in property developments have been obtained but office lettings continue to be slow.

Financial resources are "strong" with total group borrowing at the beginning of this month down to £2.4m. from £6.8m. at May 31, 1975.

● **comment**

A sharp rise in house sales—from 700 units to 1,170—largely inspired by a switch of emphasis towards the lower priced end of the market, has put Bryant Holdings on course for a strong recovery this year with half-time profits 51 per cent. higher pre-tax. Demand has apparently remained strong in the second half of the year and though less completions are scheduled for this period many of these will be at the higher priced end of the housing range. Associate losses which are no longer cushioned by the profits from the Heathfield Park development rose dramatically in the first half and look like rising to around £250,000 by the year end. This implies that the group is looking for minimum operating profits for the year of around £2.6m.—a third up on 1974-75. A full recovery to the £4m. peak of 1972-73 still looks a fairly long haul but the shares which at 25½p are yielding a prospective 12.6 per cent. may gain some support from the newly strengthened balance sheet; the debt equity ratio has been reduced from 96 per cent. to 38 per cent.

Statement Page 30

BBA sees no less profit

SALES AND profits so far in 1976 at BBA Group are higher than those of 1975 states the chairman Mr. D. M. Pearson. At present, results are poor in the U.S. due to a cut in demand for mining belting, but this is offset by further improvement on the automotive side.

Profits for all of 1976 are not likely to be less than those of 1975, members are told.

As reported on March 31, pre-tax profits jumped from £3.96m. to £6.37m. in 1975 on sales up from £66.58m. to £78.76m. and the dividend total is the maximum permitted 2.59p (2.42p). Inflation adjusted accounts show a loss in purchasing power of proprietors' interests of £1.02m. during the year.

If sales had been charged on the basis of value to the business as required under the Current Cost Accounting conventions instead of Historical Cost conventions profit for the year after tax would have been reduced from £3.13m. to £2.09m.

The gain in purchasing power over the year resulting from holding of net monetary liabilities amounted to £2.27m. based upon the fall in the purchasing power of money as measured by the index of retail prices.

In the absence of specific indices the index of general purchasing power relevant to each company has been used in preparing the statements.

Capital expenditure of £2.76m. is close to that of 1974. The relatively low figure, together with the continuation of tight control of working capital and increased profits has caused a reduction in borrowings. The gearing now stands at "an acceptable level" of 41 per cent. Expenditure of £4.65m. has been authorised for 1976.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Brit. Inv. Trust	2	June 15	1.85	3.5	3.35
Brooks Watson	1.6(a)	July	—	1.6	0.8
Bryant ....int.	0.79	May 28	0.72	—	1.84
Camrex	1.61	—	1.43	2.98	2.77
David Charles ....int.	Nil	—	0.62	—	1.5
Elect. & Industrial	1.63(b)	—	1.4	2.44	1.97
John Laing	0.98	—	0.84*	1.77	1.64*
Macfarlane Group	1.63	—	1.52	3.13†	2.82
Municipal Props.	4.13	—	3.78	4.15	3.78
Reed Executive	1.21	—	1.01	4.34	4.12
Simon Engineering	4.13	July 1	3.83	6.32†	5.82
Smith St. Aubyn	2.38	June 2	1.9*	4.08	3.57*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross. (b) Treasury approval received.

As at April 1, 1976, ICFC held some 11 per cent. of the equity. Meeting, Bradford on May 20 at 11.30 a.m.

Chairman's statement Page 27

£0.7m. by Brooks Watson

EXTERNAL SALES of Dublin based Brooks Watson Group increased from £46.9m. to £53.16m. in 1975 and the company returned to profits with £695,816, before tax, compared with a loss of £1,224,581 for the previous year.

Stated earnings per 20p share were 3.88p, against a deficit of 4.41p, and the dividend is doubled to 1.6p gross.

The group continued to trade profitably during the first quarter of 1976 and all divisions showed an improvement, the directors state.

The builders' providers division, which recorded a reduced loss of £44,000 (£835,000) in 1975, showed a break even situation for the first quarter of 1976.

Apart from restoring profitability, it was a prime objective in 1975 to reduce the high level of borrowings incurred in 1974. Despite a continuing high rate of inflation, net bank borrowings were reduced from £9.1m. to £6.1m. at end-1975.

	1975 £	1974 £
External sales	53,161,000	46,901,000
Profit before tax	695,816	*1,224,581
Taxation	24,811	†380,942
Extraord. credits	16,228	—
Minorities	4,990	89,500
Attributable	682,243	*754,139
Dividends	179,379	90,340
Retained	502,864	‡844,479

*Loss. †Credit. ‡Deducted from reserves.

David Charles to miss forecast

IN THEIR interim statement, the directors of building contractors etc. David Charles say it is now clear that, due to a setback in their programme, the profit forecast made at the time of the rights issue will not be achieved.

Internal budgets available at that time indicated, the company would achieve considerably higher profits this year than the £2.38m. (before property write-downs) achieved in 1974-75.

Profits before tax for the first half to December 31, 1975 have fallen from £1,147,000 to £396,000 on turnover of £26.66m. against £23.12m.

In the circumstances it is not proposed to pay an interim dividend although it is intended to recommend a final for payment in January 1977. The amount will depend on the actual profit and the improvement in liquidity obtained in the intervening period. Last year an interim of 0.823p net was followed by a final of 0.873p.

The directors explain that certain unforeseen factors prevented the company from maintaining its enlarged building programme. Among these, the new-found liquidity led to much increased pressure from creditors for accelerated payment. At the same time proceeds of sale of certain commercial properties were delayed.

The result was that the company was committed to an increased programme with what in the short term proved to be an actual reduction in resources. This necessitated an enforced return to a lower level of activity with a resultant increase in unit costs and interest charges.

In addition, this setback will involve the deferment of some profit to next year. The interim results make due provision for this new situation.

Having revised cash flow forecasts, the directors report that the company's bankers have now agreed to provide the requisite facilities to enable it to revert to the original planned rate of housebuilding. "We can therefore expect a continuation of the planned reduction in borrowings over the next 12 months."

The second half-year is expected to produce significantly better results than those now being reported and the chairman, Mr. R. S. Buckingham is confident that with the full support of the bankers "we do now have the resources we need to re[...] company to its forme[...] profitability."

● **comment**

David Charles is p[...] penalty for having ex[...] land bank and its borr[...] fast. Last June borrow[...] £24m. of which £14m. w[...] land. But last October [...] felt in the position to t[...] tage of some upswing [...] building, and the inten[...] time of the rights issu[...] to increase unit produ[...] 1,200 to 2,000 per an[...] ever, creditors were u[...] allow any run up in d[...] the difficulty was in fin[...] expansion in an alrea[...] geared position. So, th[...] had to cut back wh[...] charges remained pu[...] the interim profits are [...] a £450,000 provision. N[...] pany's clearing bank h[...] its willingness to work [...] bank. However, sales [...] will probably only be [...] and the profit perhap[...] that is achieved the div[...] be maintained, but me[...] shares at 13p, where [...] capitalisation is £8m[...] facing the future wit[...] fidence.

British Investm[...]

TOTAL REVENUE for [...] March 31, 1976, of Br[...] ment Trust rose from [...] £4.75m. subject to ta[...] compared with £1.2m.

The amount attri[...] shareholders was £1.9[...] £1.86m. and earnings [...] to be up from 3.45p [...] 25p share. The divid[...] from 3.35p to 3.5p net [...] payment of 2p.

The net asset valu[...] amounted to 182.5p [...] with 142p or 171.5p a[...] fully diluted.

GEO. CALLE[...]

In Saturday's issue [...] Summary of the Wee[...] News, the profit [...] George M. Callende[...] advertently shown af[...] The correct pre-tax p[...] read as £456,000 aga[...] for last year.

Slough Estates soundly based

IN HIS ANNUAL review, the new chairman of Slough Estates, Mr. Nigel Mobbs, tells members that business is beginning to emerge from the deep economic recession that has affected all industrialised nations, and the group is "soundly based" to take full advantage of the improving conditions.

During 1975, funding operations in the U.K., Canada and Australia have ensured that adequate financial facilities are available for development of existing land and the acquisition of new property.

While current development programmes have been temporarily

Mr. Gerald Nigel Mobbs, chairman of Slough Estates.

curtailed or deferred as a result of falling demand, preliminary planning has continued and investment can be increased to meet an improvement in the market.

At the year end there were expenditure commitments of £9.72m. (£23.97m.) including £6.44m. (£10.03m.) in the U.K. A further £700,000 (£12.88m.) has been authorised for expenditure overseas but has not been contracted for.

Mr. Mobbs says the whole of the property sector is adversely affected by the uncertainty created by the Government's policy towards land ownership and the taxation of development value. "The further delay in the introduction of Development Land Tax as a substitute for existing development taxes means that essential investment decisions are being postponed until the liability to tax can be accurately calculated."

The group cannot hope to escape the effects of political decisions, states the chairman, but by adopting a conservative approach to investment and funding, many of the pitfalls that have troubled the property sector have been avoided.

As stated with the preliminary results, provided there is no major setback in the economic situation, the directors are confident that profits for 1976 "will show a further improvement."

Despite the adverse factors, the group again increased its profits in 1975 and consolidated its financial position. As reported on March 25 the pre-tax surplus advanced from £4.23m. to £5.34m. and earnings rose from 2.48p to 3.65p per 25p share. The dividend total is the maximum permitted 1.844p (1.77p) net.

Meeting, The Savoy Hotel, W.C., on May 19, at 2.30 p.m.

Chairman's statement Page 29
See Lex

Sri Lankan payments for Crosby

Crosby House, the freight forwarding and containers group, is to receive £1.4m. from the Sri Lankan Government in compensation for the nationalisation last October of its tea and rubber interests.

The Sri Lankan companies produced a pre-tax profit of £506,000 in 1974 and the chairman, Mr. M. J. Walsh, says that, while he regards the settlement as low when compared with the value of plantations in other countries, he believes it to be the "best one obtainable" in the circumstances.

Aside from all outstanding expenses and dividends, the settlement involves a compensation payment of £42.50 for each cultivated acre, and this will be payable over 5 years in ten equal six-monthly instalments, from March 31, 1977. Interest at 4 per cent gross on the unpaid balance will also be payable.

The settlement will be free of Sri Lankan taxation and will enable the group to consolidate and expand the firm base it has already established in the U.K., Mr. Walsh adds.

Berger Jenson adhesives project

Berger Chemicals, the U.K. chemicals division of Berger, Jenson and Nicholson, has established a new adhesives division at Portland Road, Newcastle-upon-Tyne.

Through Hoechst, the Berger Group's parent company, the adhesives division will have access to extensive polymer technology for use in a wide range of adhesives.

"We expect adhesives to be a big growth area when the U.K. economy finally moves out of its present troubles," said Berger Chemicals managing director, Mr. John Bailey.

Margins down at Kinloch

Mr. F. Birch, chairman of Kinloch (Provision Merchants), told the annual meeting that sales for the first five months of the current year had increased by 10 per cent., but profits had not risen with sales due to increased costs and competitive trading conditions.

He said the directors were confident that profit when declaring the interim dividend, would be maintained at a comparable level to the same period last year.

Shown in Morgan's New York headquarters, Senior Vice President Dennis Weatherstone (centre) heads Foreign Exchange and Euro-currency Trading. Vice President Robert Van Roten (right) is chief foreign exchange trader in New York, Vice President Nancy Shaw runs the Euro desk.

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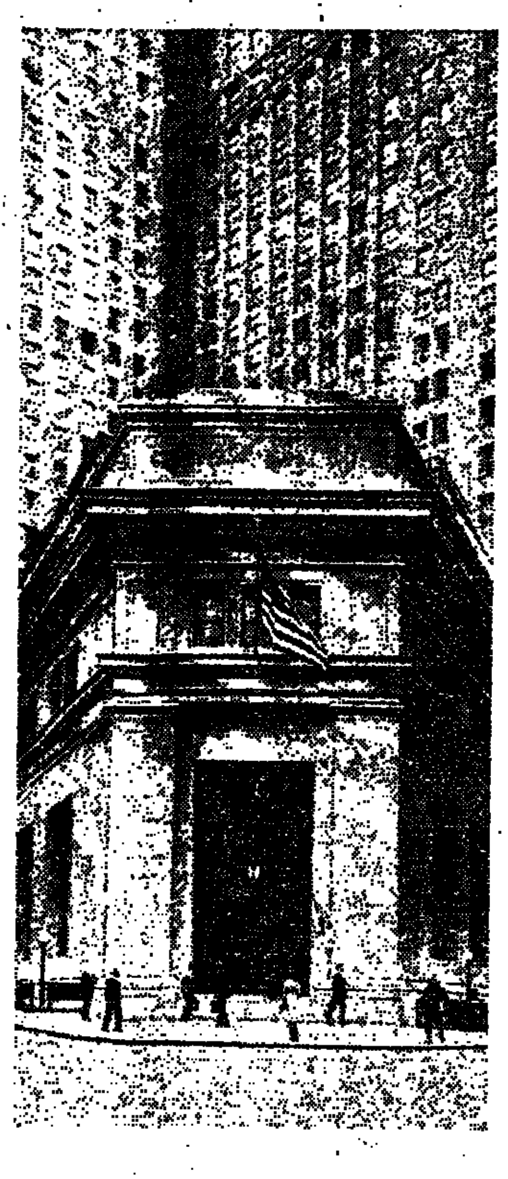

to key European centres like London, Paris, Frankfurt, Zurich, Milan at 5 a.m.

Our foreign exchange specialists do more than trade currencies. They advise you on the arbitrage opportunities offered by investment in local money markets or the Euro-market. Using information that is updated continuously by computer and displayed on individual video screens, they can put your funds to work with the combination of risk and return that suits your needs.

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Johnson Group Cleaners

A RECORD YEAR

RESULTS IN BRIEF	1975	1974
Turnover	£15,190,000	£12,846,000
Earnings before tax	1,428,257	1,109,829
Earnings after tax	673,666	505,828
Dividend per share	2.3226p	2.1764p
Earnings per share	5.01p	3.70p

Extracts from the statement by the chairman and managing director, Mr. J. L. Crockatt, J.P.

* Turnover, earnings before and after taxation were all by a comfortable margin the highest in the history of the Group. The dividend of 2.3226p per share is the most the law will allow.
* *In a year when liquidity was generally under pressure* we were able to pay off the £670,244 overdraft shown in the 1974 accounts and to end the year with a credit balance of £304,632. We plan a substantial increase in the rate of investment during 1976 and our forecasts indicate that we shall have the necessary resources.
* Our growing rental businesses are planned to insulate us to some extent from the wilder variances of the retail market. The towel hire business ('Candy' towels) is now contributing well, and the 'Apparelmaster' workwear rental project is expanding rapidly into a fruitful market. We face the future with confidence.

Johnson Group Cleaners Limited, a nationwide chain including many of the country's best known names in dry cleaning, currently operates some 558 shops in which cleaning is done on the premises and 215 receiving shops.

Other divisions of the Group are active in Towel Hire and Workwear Rental. Dry Cleaning Divisions *North Western Division* Johnsons the Cleaners · Harris Cleaning *Eastern Division* Smiths Cleaners · Crockatt Cleaning *Southern Division* Bollom (incorporating Flinns & Eastmans), *Scottish Division* Pullars of Perth · Stevenson Brothers Launderers and Cleaners · Arbroath Laundry *North Eastern Company* Hartonclean—Newcastle Property Division Johnson Group Cleaners Properties Ltd. Rental Divisions "Candy" Towel Hire and Dust Control · "Apparelmaster" Workwear Rental.

Copies of the Report and Accounts can be obtained from The Secretary, Mildmay Road, Bootle, Lancs. L20 5EW.

The City Offices Company Limited

THE CITY OFFICES COMPANY LIMITED 1864

Extracts from the Report and Accounts for the Year 1975

* Pre-tax profits and dividends declared have increased for the tenth successive year.
* *There has been a significant increase in both* rental and investment income and more properties were acquired during the year.
* It is expected that growth in rental income will be maintained in the current year.

Summary of Results	Year ended 31st December 1973	1974	1975
	£000	£000	£000
Gross Income	757	1,032	1,089
Profit after Taxation	366	375	434
Dividends, net	278	306	324
Profit retained	101	69	110
Earnings per share, net	1.64p	1.62p	1.88p

COMPANY NEWS

Wilmot Breeden recovery trend

DURING THE current year indications for Wilmot Breeden (Holdings) are that it will make further progress towards complete recovery, forecasts the chairman Mr. D. L. Breeden.

Overseas operations have performed "extremely well" and now the outlook at home does show definite signs of improvement, he says.

With the large reductions in operating costs and the improvement in demand in the first quarter of the current year over the budget forecast, the £11m. investment in the U.K. motor industry is now profitable. And if the new rate of demand keeps up for even a few more months, it will improve greatly the outlook for 1976.

In France the prospects are good, but the level of margins cannot be expected to be maintained as 1975 profits were augmented by favourable economic trends which may not recur, the chairman stresses.

Current year's outlook for Truflo (petro-chemical, aerospace and power generation) is considered greatly improved, when it will emerge with a reduced dependence on its two major customers and on the proportion of its activity engaged on subcontracting work.

Mr. Breeden says purchasing the 78 per cent. interest in Thor Cryogenics and its refinancing will involve some £100,000. This company specialises in the equipment for the storage and handling of cryogenic fluids, and this industry is likely to grow in the next decade.

The necessary massive economies at Wilmot Breeden Ltd. led to the workforce being reduced by 1,065 by the end of the year Severance payments totalled £785,000 of which £545,000 was borne by the company.

In the 1974 accounts £600,000 was set aside for the estimated costs of redundancy and other expenses involved in the concentration of the operations on to two principal manufacturing locations. These costs are continuing, but the back of the problem has been broken and, apart from a further £160,000 (£77,000 after tax) which has been set aside again this year, the intention is to absorb these costs in the trading account as they are incurred.

Completion of the planned reorganisation will ultimately place the group in a highly competitive position to supply car components on a world-wide basis. But because of the present problems of trying to keep the industry supplied, these plans cannot be carried out on the time schedule originally envisaged.

Group external debt is 45.7 per cent. of shareholders' funds. Forecasts indicate that, unless debt finance is used for further acquisitions or for any investment project not included in existing budgets, this ratio will decrease over the next two years. Practically all the debt is concentrated in the U.K.

Arrangements have been made to exercise the option in May and repay the $6m. Eurodollar loan with the proceeds of a new sterling loan also having a five-year term.

In order to terminate the group's exposure to further exchange risks a forward purchase of dollars was made on March 15 this year. The increase in value of the group assets in sterling terms is far greater than the exchange loss arising from the Eurodollar borrowing.

As reported on April 15, group sales for 1975 totalled £65.22m. (£58.56m.) and the profit came out at £2.82m. (£1.78m.). The dividend is 2.45p (1.45p).

There was a £2.18m. increase (£2.51m. decrease) in liquid funds.

Meeting, Tyseley, Birmingham, May 18 at noon.

and bank facilities if required to consider expansion within the group or by acquisition.

The chairman says that results for 1975 were "quite exceptional," but in view of the extent of the dividend cover the Board expects to recommend at least similar dividends for 1976, adjusted for the proposed one-for-ten scrip issue.

As reported on April 13 pre-tax profits for 1975 advanced from *£310,580 to £435,645. Earnings* were 8.4p against 5.9p and the dividend total is 3.0085p (2.75p) net.

Meeting, Bramhope on May 19 at 12.30 p.m.

Chairman's Statement Page 30

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:— Border and Southern Stockholders Trust, Fundinvest, S. Lyles, Spencer Gears, Yarrow.

Finals:— Belgrave (Blackheath) British Vending Industries, Estate Duties Investment Trust, Lake View Investment Trust, Lead Industries, Marks and Spencer, Office and Electronic Machines, Silentnight William Sindall, Tozer Kemsley and Millbourn.

FUTURE DATES

Interims:—	
Aust. & New Zealand Bnkg.	*Apr. 28
Burton Group	May 5
Gleeson (M. J.)	May 26
North Midland Construction	May 7
United Wire	Apr. 29
Finals:—	
Aberdeen Investments	May 10
Alginate Industries	May 7
Anglo-African Finance	May 3
Beralt Tin and Wolfram	Apr. 29
Border Breweries (Wrexham)	Apr. 28
Bremner	Apr. 30
Cole (R. H.)	Apr. 30
Davies and Newman	May 3
Dent Fownes	Apr. 29
Dualvest	Apr. 28
Elbar Industrial	Apr. 28
Finlay Packaging	Apr. 29
Haden Carrier	May 3
Helene of London	Apr. 28
Henderson (P.C.)	Apr. 29
Hoskins and Horton	May 7
Marshall's Universal	May 6
Pearson (S)	Apr. 29
Sears Holdings	May 11
Spencer Turner & Boldero	Apr. 29
Tehidy Minerals	May 12

* Amended.

Ofrex set for better year

"A MUCH BETTER year" is forecast for 1976 by Mr. George Drexler, chairman of Ofrex Group. The company is investing in new plants and more efficient equipment, and figures for the first quarter of 1976 support the chairman's confidence.

As reported on March 18, group pre-tax profit decreased from £2.71m. to £1.71m. in 1975 and the dividend is 2.38p (2.71p) net per share.

Overseas sales were maintained, says Mr. Drexler, and the Australian company returned a record profit. The industrial fastenings subsidiary, BIF British Industrial Fastenings, overcame the depression to emerge as the largest single profit earner in 1975.

A geographical analysis of turnover (£21.11m. against £20.85m.) shows, in percentages, Australia and Far East 12.6 (11); Africa 4.1 (3.4); Europe and Near East 7.3 (6); Canada 3.6 (3.4); U.S., Central and S. America 4.6 (3.8); U.K. and N. Ireland 67.8 (72.4). U.K. exports amounted to £3.4m. (3.38m.).

The joint venture with FMC of Philadelphia to manufacture and market polypropylene strapping started successfully and the Ricas Company, in establishing a leading position in the provision of offset litho supplies for the growing in-house printing market, made a good profit contribution, members are told.

Ofrex manufactures office supplies, stationery, educational supplies and equipment, paper handling and shredding machines, industrial fastenings, marking and non-metallic strapping equipment and supplies.

Meeting, Ofrex House, Stephen Street, W., May 25, at 11 a.m.

S. Jerome

Worsted spinners and manufacturers, S. Jerome and Sons (Holdings) is equipped with the most modern machinery and can expect to receive its fair share of trade in both home and export markets, states the chairman, Mr. William Jerome.

The group is financially "very sound" and in a strong liquid position, with adequate resources

INTERIM STATEMENT

NORTH ATLANTIC SECURITIES CORPORATION LIMITED

Interim Financial Statement for the six months ended 31st March, 1976.

(Audited) Year ended 30th September 1975		(Unaudited) †Six months ended 31st March 1976	Six months ended 31st March 1975
£		£	£
796,249	Gross revenue	415,973	340,503
175,149	Less: Expenses and Interest	144,042	56,072
621,100	Net revenue before taxation	271,931	284,431
245,081	Less: Taxation	100,965	112,418
376,019		170,956	172,013
331,740	Less: Interim Dividend	122,220	122,220
£ 44,279	NET REVENUE RETAINED	£ 48,746	£ 49,793
1.9p per share for the year	Dividend on Ordinary Shares payable 21st May, 1976	0.7p per share	0.7p per share

† In May, 1975 the Company issued £2.2m. 7¼% Convertible Unsecured Loan Stock 1995/6 at par. As a result, the figures are not comparable with the six months ended 31st March, 1975.

96¼p c.d.	*Net Asset Value per Ordinary Share at end of period	116¼p c.d.	89¼p c.d.
96p c.d.	Net Asset value per Ordinary Share assuming full conversion of Convertible Loan Stock	113p c.d.	—

* The Net Asset Value includes the full amount of the investment currency premium which at 31st March, 1976 was equivalent to 24¼p per Ordinary Share (31st March, 1975—23¼p per share, 30th September, 1975—20¼p per share).

No provision has been made for any liability to tax on capital gains which may arise in the future on realisation of investments.

Mr. David Breeden, chairman of Wilmot Breeden. Terry Kirk

Jones & Shipman's orders improving

FIRST QUARTER 1976 profits of manufacturers of high precision machine tools, A. A. Jones and Shipman, are slightly below last year's average level, but it is too early to make any firm forecast for the year, says the chairman, Mr. F. W. Brooks.

He emphasises, however, that the company has the capacity and capability to take swift advantage of better trading conditions when they occur.

The year started with a low volume of orders on hand, but the level of enquiries and orders rose during the first quarter compared with the average for the year 1975.

Increasing costs continue to be worrying although the rate of increase has declined from last year's "phenomenal" level.

As reported on March 18 group pre-tax profit increased from £1.02m. to £1.77m. in 1975 on a turnover of £10.71m. (£8.17m.) and the dividend is 4.375p (4.1p) net.

It was not possible to present specific figures to illustrate the impact of inflation adjustments to 1975 profits because there are no up-to-date valuations of freeholds. Estimating the effects, however, of the Sandilands proposals, it appears that stated pre-tax profit would be approximately halved.

During 1974, and in the early part of 1975 there was a steady increase in the overdraft. Measures taken to restore the situation resulted in a marked improvement by the year end and this trend has continued in the first quarter of 1976.

At end 1975, part of this cash improvement was due *to restriction of capital* expenditure, but such a policy "cannot be allowed to continue for long" otherwise plant and equipment will become inefficient and out-dated. A substantial programme of new equipment covering the next two to three years is therefore being implemented. Year end commitments were £150,000 (£180,000) contracted and £251,000 *(nil)* authorised but not contracted.

Baxter Fell sees useful increase

Chairman, Mr. D. R. Peacock, expects a marked improvement in the fortunes of Baxter, Fell and Co. over 1976 and 1977, but it is difficult to say how much of this will come in the current year.

However, there ought to be sufficient improvement to lead to a "useful" increase over results for 1975 when pre-tax profits totalled £0.6m. compared with £1.02m.

The chairman tells members there is every chance that, during this year, the group will see a return on its steel business at least as good as in 1975.

As already reported earnings per 25p share for 1975 were 17.39p (29.54p) and the dividend is lifted from 5.1075p to 5.54p net.

A divisional analysis of pre-tax profit shows: Distribution £516,955; Retail display £117,066 loss; Public wharfage, storage and haulage £22,065; Internal financing surplus £180,297.

Meeting, Waldorf Hotel, W.C., on May 19 at noon.

Chairman's statement Page 30

Mercantile & General

The technical results for 1975 of The Mercantile and General Reinsurance Company have proved to be no better than anticipated, states Mr. H. K. Goschen in his annual report. Underwriting has continued to be much affected *by inflation and the* instability of exchange rates, but there was a "welcome" absence of natural disasters compared with the unprecedented number of catastrophes in 1974.

Premium income for the life and general branch business exceeded £100m. for the first time —value of life business in 1975 totalled £1.4bn. Profit for the year amounted to £379,000 and the reinsurance *funds at the end* of 1975 were £245m. compared with £207m. at the beginning.

Overseas business continued to expand last year and Mr. Goschen referred to the more favourable trends in European markets. The Middle East and Asia are maintaining their profitable records, but North America remains the problem area. However, the company's involvement there was "not very great."

Mr. Goschen refers to the economic improvement in most countries last year and says the directors were encouraged by the anticipation of a reasonable recovery to invest substantial sums which had been accumulated in 1974. They took advantage of the U.K. equity market recovery to increase the percentage in Ordinary shares. The greater part of new money now arises overseas and overseas investments now account for over one-half of the group's portfolio.

Chairman's Statement Page 27

LAMBERT HOWARTH

Reported figures for the year ended 31st December, 1975, include—

	1975 £'000	1974 £'000
Turnover	[illegible]	10,479
Profit before Taxation	512	503
Profit after Taxation	274	335
Net Assets employed	2,562	2,279
Issued Capital:		
Preference Shares now redeemed	—	64
Ordinary	600	600
Per 20p Ordinary Share: Earnings	8.9p	10.9p
Dividends	2.61p	2.446p

Profit after Taxation and Earnings per Share are reduced because the balance of tax relief arising from pre-acquisition losses of subsidiaries was utilised during 1974.

At the Annual General Meeting being held in Burnley today, members of the Company will be invited to declare the maximum Final Ordinary Dividend permitted under present controls, of 1.76p per share, payable immediately.

The Group manufactures a wide range of footwear. It is a major supplier to Marks & Spencer Limited, with whom it has been associated for fifty years and also supplies leading wholesale and multiple chains and prominent mail order groups. Exclusive distribution rights are held for GANNEX slippers.

The Chairman, Mr. C. E. Howarth, has reported that it is impossible to make a forecast of profit for 1976, but, assuming that a reasonable level of demand is maintained, he believes that a satisfactory result can be achieved in the current year.

LAMBERT HOWARTH GROUP LIMITED

BURNLEY & ROSSENDALE, LANCASHIRE — ISLE OF MAN

Further Progress by Slough Estates

Profits up by 26% to £5.3m

Highlights from the 1975 Report and Accounts

	December 31st 1975	December 31st 1974
Profit before tax	£5,338,000	£4,231,000
Group UK Rental Income	£6,767,000	£4,365,000
Group Overseas Rental Income	£2,830,000	£1,788,000
Earnings per share	3.65p	2.48p
Dividend per share	1.844p	1.728p

United Kingdom As a result of the relaxation on the control of business rents, of reversions and rent reviews and of new construction, together with improved revenue from utility operations, total income has increased substantially.

Overseas 1975 was a year of consolidation. Although letting conditions in all countries were difficult, sound progress was made.

The Future During 1976 the Group will continue to benefit from lease reversions and rent reviews, both in the United Kingdom and overseas, and income from utilities and sales of merchandise will further increase. Provided that there is no major set-back in the general economic situation, the Directors are confident that the profits for 1976 will show a further improvement.

Chairman On 31st March 1976 Mr. Gerald Mobbs retired as Chairman after 45 years service with the Group. He was succeeded by Mr. Nigel Mobbs.

Annual Reports are available from the Secretary.

Slough Estates Ltd.

234 Bath Road, Slough SL1 4EE. Telephone: Slough 37171

Telegrams: Sloudeplim Slough. Telex: 487604

هكذا من الأصل

Sir Kirby Laing, chairman of John Laing. Freddie Mansfield

Laing £5m. ahead after reduced provisions

THE PROFIT increase forecast by John Laing and Son for 1975 turns out to be £3.24m. before tax and provisions. At halfway the profit was £5.97m. and for the full year it has reached £14.6m.

This time £1.87m. is provided for reduction in land value held for development, compared with £3.78m. in 1974 leaving the pre-tax profit at £12.59m. against £7.44m. Earnings per 25p share are shown at 15.4p (12.1p), and at 13.1p (8.1p) after the provision.

The dividend is effectively raised from 1.636p to 1.7725p, with a final of 0.9725p. There is also proposed a 1-for-5 scrip issue in Ordinary and "A" Ordinary.

Including associates, turnover advanced by £102m. to £348m. Net profit attributable to shareholders was ahead from £3.62m. to £5.87m.

Completed property investments are estimated to have a value showing a significant surplus over book value of £42m. Developments completed during 1975 and retained as investments have added not less than £2.6m. to that surplus.

Commenting upon prospects, chairman Sir Kirby Laing, expresses concern at the low level of demand on the U.K. construction industry, particularly in civil engineering, but says there is a sound basic turnover which has been secured by the group for work over the next two years.

Investment is being made in materially increased production capacity for both Thermalite and Lytag and the construction of houses for sale is planned to increase.

Overseas operations particularly increased during 1975, further increases are planned for the future. Problems in construction and industry at large in this country are great. However, the group is operating from a position of strength derived from liquid funds in excess of £20m., diversification, long-term contracts and a knowledge that its organisation and ability are second to none.

These factors all give confidence to face the future and for 1976 "we anticipate sustaining at least the level of profitability achieved in 1975."

	1975 £000	1974 £000
Turnover	348,080	246,800
U.K.—		
Building, engineering	240,280	186,700
Constrn. materials	19,160	12,500
Property development	7,400	14,700
Overseas—		
Construction	80,860	37,900
Property inv. income	3,044	2,464
Trading surplus*	11,418	8,758
Profit balance	14,463	11,217
U.K.—		
Building, eng'rng.	4,399	3,048
Construction materials	1,268	258
Property develpmt.	1,771	3,625
Property invest.	2,442	2,003
Overseas—		
Construction	3,482	2,832
Property invest.	602	461
Reduction land value	1,875	3,776
Profit before tax	12,587	7,441
Taxation	6,412	3,589
Minority	305	258
Attributable	5,870	3,624
Extraord. credits	605	158
Dividends	796	734
Retained	5,670	3,048

*After depreciation £2.32m. (£1.79m.).

See Lex

Macfarlane Clansman downturn

ON SALES up from £7.25m. to £7.58m., group pre-tax profit of Macfarlane Group (Clansman) decreased from £790,996 to £605,605 in 1975, after £401,000, against £387,000 for the first half.

The reduction in demand for some of the group's products—packaging and printing—referred to last September, continued through the second half, adversely affecting profits of that period.

Sales fell by about 15 per cent. due mainly to customers reducing stock levels. A further factor was the slowdown in activity within the whisky sector, to which a number of group products were sold, says the chairman, Mr. N. S. Macfarlane.

Current year prospects depend to a large extent upon the economic conditions in the country as a whole. During the first quarter there has been a "modest" increase in turnover over the level of the previous six months but it has still not returned to the level of the early months of 1975.

However, a continuing trend towards recovery of demand within most companies is seen and the directors anticipate that this, together with the strengthening of operating efficiency, will lead to an increase in profitability later in the year.

Net profit for 1975 came out at £327,201 (£374,574) giving stated earnings of 5.8p (7.1p) per 25p share. A final dividend of 1.626p makes a total of 3.126p net (2.817p) as forecast on capital increased by the June rights issue.

	1975 £	1974 £
Group turnover	7,575,201	7,249,853
Trading profit	580,062	778,797
Income short term	25,543	12,199
Profit before tax	605,605	790,996
Taxation	278,404	416,422
Net profit	327,201	374,574
Extra-ord. debits	—	35,632
Dividends	187,360	112,702
Retained	139,841	226,240

During the year a further investment of £440,000 was made in new plant and equipment, as part of the policy to improve the operating efficiency and to increase production capacity.

"Despite difficult conditions, most of the companies maintained their 1974 profit levels. The shortfall in group profits was largely accounted for by Macfarlane Business Forms. This company, which had increased its sales in each of the two previous years, moved to a new factory in early 1975—the downturn in trade, together with non-recurring removal costs, resulted in a trading loss of £71,000 (profit of £84,000).

Measures have been taken to eliminate the losses and this company is once again trading profitably.

Continuation of stock relief and capital allowances available on expenditure on fixed assets "significantly" reduced the year's corporation tax charge which will bring further benefit in 1976, says Mr. Macfarlane.

● comment

A £155,000 turnround to losses—all suffered in the second half—at Macfarlane Business Forms was primarily behind Macfarlane's 23½ per cent. pre-tax decline. A drop in demand from the whisky sector, which accounts for a third of sales, also contributed to the fall. However, the current year has started with some recovery in demand and this is expected to accelerate in the second six months. This, and the return to profitability at MBF, should ensure some recovery this year. A further boost could come from a proposed acquisition expected to be completed within the next few months, which will be financed from the company's cash holding of £592,905. At 54p, the p/e is 9 and the yield 9.2 per cent., covered 1.8 times.

CHLORIDE BUYS

Chloride, battery manufacturers, has acquired Industrial Instruments, producers of inverters and complete power standby power systems, for a maximum of 260,870 shares in Chloride, equivalent to £300,000, of which 215,653 have been issued—of the balance 26,087 will be issued in 12 month's time, subject to warranties being met, and 19,130 may be issued on the final settlement or judgement of claims currently outstanding against Industrial Instruments.

£6.7m. by Simon Engineering

THE PROFIT improvement expected by Simon Engineering for the year 1975, turns out to be an advance from £5,149,000 to £6,699,000 before tax and extraordinary items. At halfway the figure was up from £2,068,000 to £2.3m.

Mainly reflecting a higher tax charge—caused by prior year debit adjustments of £456,000, including £383,000 deferred tax, against a previous credit of £251,000—the year's net attributable balance is only marginally higher at £2,447,000, compared with £2,399,000.

Earnings per 25p Ordinary share are shown at 13.6p against 13.3p before the extraordinary items and at 12.6p against 14p after such items. They are based on the weighted average outstanding after adjustment of the number of shares in issue prior to the May last rights issue.

A final dividend of 4.1328p lifts the net total from 5.8216p to 6.3203p payable on the enlarged capital—the gross equivalent is the maximum permitted 9.7236p. The directors had forecast a total payment of not less than the 1974 rate.

Commenting on the results, chairman Mr. L. Brooks says 1975 saw difficult conditions in many of the areas in which the group operates but its broad spread of business, both geographical and by activity, stood it in good stead. Increased exports and higher activity in overseas companies "greatly helped" to achieve the improved pre-tax profit figure.

On prospects, the chairman says that, although it is not possible to take an optimistic view of the U.K. economic climate for the next two years, "if inflation continues to be significantly reduced as the year progresses our plans for further growth in 1976 should be achieved."

	1975 £000	1974 £000
Turnover	184,234	151,948
Trading profit*	6,621	5,129
Share principal assoc. companies	414	331
Making	7,035	5,460
Int. payable, less rec.	336	311
Profit	6,699	5,149
Tax	3,564	2,417
Minority	489	434
Balance	2,646	2,278
Extra-ord. debits	199	†121
Attributable	2,447	2,399
Pref. dividends	39	39
Ord. interim	447	355
Proposed Ord. final	844	594
Retained	1,117	1,412

*After depreciation £1,468,000 (£1,191,000).
† Credits.

Statement Page 27
See Lex

the Kyoei Mutual, wit... cent. shareholding, Malvern Insurance Co... member of the Minster group, with 10 per cen...

Since 1974 the Kyoei h... underwritten direct b... England through an un... agency managed by Ma... directors now wish ... operations.

Initially Kyoei (U.K.) ... write a marine acco... Lloyd's new building b... ally activities will be e... include all classes of ... (excluding life) and the... operations widened to t... whole of Europe.

Setback at Reed Executi...

GROUP PROFIT, befo... Reed Executive ... sharply from £1,008,000 in the 53 weeks to ... 1976, after a fall from £326,000 at half-way.

The year was the m... in the company's hi... while first quarter 197... tinual this trend, th... estimate that a recover... mence during the sec... the year and they anti... hanced fortunes in 197...

Stated earnings per s... the past year decre... 12.19p to 5.49p. A fin... of 1.2093p lifts the net ... 4.12404p to a maximum ... 4.43412p.

Turnover
Pre-tax profit
Taxation
Net profit
Extraordinary debits

* 53 weeks.

● comment

After a 28 per cent. ... at half-time Reed ... profits downturn acc... the second six month... the full year pre-tax ... cent. lower. Medcare ... more than trebled ... £175,000 during 1975-7... of the profits fall is ... to the continued slum... rary placings—these ... roughly 60 per cent ... year. The last few ... seen some evidenc... improvement but the ... a dramatic recovery ar... Reed is at present t... sails accordingly by ... overheads and tigh... control of working c... the end of 1975-76 thi... lifted net cash resourc... £600,000—compared ... worth of £1.5m.—whic... been boosted by a furt... following the sale of p... for development. ... shares are yielding 1...

Kyoei in London

The Kyoei Mutual Fire and Marine Insurance Company of Tokyo announces the establishment in London of the Kyoei Fire and Marine Insurance Company (U.K.) with an authorised capital of £1m., £300,000 paid up.

This is a joint venture between

World Value of the Poun...

The table below gives the latest available rates of exchange for the pound against various currencies on April 26, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of ... area other than Scheduled Ter... Scheduled Territory; (o) official ra... rate; (T) tourist rate; (n.c.) non... rate; (n.a.) not available; (A) appro... no direct quotation available; (sg) ... (bg) buying rate; (nom.) nomi... exchange certificate rate; (P) bas... dollar parities and going sterling-... (Bk) bankers' rate; (Bas) basic ... commercial rate; (cn) convertible ... financial rate.

Sharp fluctuations have been ... in the foreign exchange market. ... table below are not in all cases clos... the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	298(sg)
Afghanistan	Afghani	110(A)
Albania	Lek	(O 10.19(A) T 25.25(A)
Algeria	Dinar	7.50
Andorra	French Franc	8.48
	Spanish peseta	122.60
Angola	Angola Escudo	54.10
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(O)299.05*
Australia (S)	Australian $	1.4695
Austria	Schilling	35.05
Azores	Portug. Escudo	54.10
Bahamas (S)	Ba. Dollar	1.817
Bangladesh (S)	Taka	29.95(sg)
Bahrein (S)	Dinar	0.714
Balearic Is.	Spa. Peseta	122.60
Barbados (S)	Barbados $	3.6279
Belgium	B. Franc	(cm) 70.65 (fn) 72.90
Belize	B$	4.0
Benin	C.F.A. Franc	424
Bermuda (S)	Bda. $	1.8190
Bhutan	Indian Rupee	16.5550
Bolivia	Bolivian Peso	36.38
Botswana (S)	S. A. Rand	1.57594
Brazil	Cruzeiro	18.57
Br Solomon Is (S)	Australian $	1.4695
Br Virgin Is (S)	U.S. $	1.8190
Brunei (S)	Brunei $	4.7776
Bulgaria	Lev	1.3588
Burma	Kyat	12.60
Burundi	Burundi Franc	146.50
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	424
Canada	Canadian $	1.789
Canary Is.	Spanish Peseta	122.60
Cape Verde Is	Cape V Escudo	54.10
Cayman Is. (S)	Cay. I. $	1.5114
Cent. Af. Rp.	C.F.A. Franc	424
Chad	C.F.A. Franc	424
Chile	C. Peso	(Bk) 21.59
China	Renminbi Yuan	3.5495
Colombia	C. Peso	(F) 61.97
Comoro Is'ds	C.F.A. Franc	424
Congo (B'ille)	C.F.A. Franc	424
Costa Rica	Colon	15.645
Cuba	Cuban Peso	1.49781
Cyprus (S)	Cyprus £	0.7808
Czechoslov'kia	Koruna	(com) 10.70 (n/c) 21.50 (T) 18.64
Denmark	Danish Krone	10.98¾
Dominica (S)	E. Carribbean $	4.80
Domin. Rep.	Dominican Peso	1.8190
Ecuador	Sucre	(O) 45.09 (F) 49.81
Egypt	Egyptian £	(O) 0.7622 (T) 1.2412
Ethiopia	Ethiopian $	(P) 3.7896
Eq'l Guinea	Peseta	122.60
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	10.98¾
Fiji Is. (S)	Fiji $	1.6219
Finland	Markka	6.98
France	French Franc	8.48
Fr. C'tyin Af◆	C.F.A. Franc	424
Fr. Guiana	Local Franc	8.48
Fr. Pac. Is.	C.F.P. Franc	154.16
Gabon	C.F.A. Franc	424
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	5(A)

Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	4.61¾
Ghana (S)	Cedi	2.10
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.4695
Greece	Drachma	67.294
Greenland	Danish Kroner	10.98¾
Grenada (S)	E. Caribbean $	4.80
Guadeloupe	Local Franc	8.48
Guam	U.S. $	1.8190
Guatemala	Quetzal	1.8190
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	4.628
Haiti	Gourde	9.095
Honduras Rep	Lempira	3.64
Hong Kong (S)	H.K. $	8.325
Hungary	Forint	(com) 80.90 (nc/T) 40.45
Iceland (S)	I. Krona	330.55
India (S)	Ind. Rupee	16.5067
Indonesia	Rupiah	754.885
Iran	Rial	(A) 128
Iraq	Iraq Dinar	0.5785
Irish Rep K	Irish £	1.00
Israel	Israel £	14.0131
Italy	Lira	1,519
Ivory Coast	C.F.A. Franc	424
Jamaica S	Jamaica Dollar	1.64695
Japan	Yen	548½
Jordan S	Jdn. Dinar	0.585(sg)
Kenya (S)	Ken. Shilling	15.5396
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	871.58
Kuwait (S)	Kuwait Dinar	0.530(sg)
Laos	Kip	n.a.
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.57594
Liberia	Liberian $	1.8190
Libya	Libyan Dinar	(P) 0.5385
Liecht'stn	Swiss Franc	4.58¼
Luxembourg	Lux Franc	70.65
Macao	Pataca	12.7525
Madeira	Portug'se Escudo	54.10
Malagasy Rp.	MG Franc	424
Malawi (S)	Kwacha	1.67215
Malaysia (S)	Malaysian $	4.66
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	848
Malta (S)	Maltese £	0.7755
Martinique	Local Franc	8.48
Mauritania	Ouguiya	♣
Mauritius (S)	M Rupee	12.2417
Mexico	Mexican Peso	20.58
Miquelon	C.F.A. Franc	424
Monaco	French Franc	8.48
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E. Caribbean	4.80
Morocco	Dirham	7.98(sg)
Mozambique	Moz. Escudo	54.10
Nauru Is.	Aust. Dollar	1.4695
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	4.89
Neth. Ant'les	Antillian Guild	3.258
New Hebrides	Franc	138.87
	Austl. Dollar	1.4695
N. Zealand (S)	N.Z. Dollar	1.8179
Nicaragua	Cordoba	12.75
Niger Rp.	C.F.A. Franc	424
Nigeria (S)	Naira	1.1876
Norway	Nrwg. Krone	9.97½
Oman Sultanate of (S)	Rial Omani	0.633
Pakistan	Pkst. Rupee	17.60(sg)
Panama	Balboa	1.8170
Panama Canal Zone	U.S. $	1.8190
Papua N.G. (S)	Kina	1.4695

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	
P'pl's D. Rp. of Yemen (S)	S. Yemen Dir...	
Peru	Sol	
Philippines	Ph. Peso	
Pitcairn Is. (S)	£ Sterling / New Zealan...	
Poland	Zloty	
Portugal	Pgse Escudo	
Port Timor	Timor Escudo	
Principe Isle	♥♥	
Puerto Rico	U.S. $	
Qatar (S)	Qatar Ryal	
Reunion, Ile de la	French Franc	
Rhodesia	Pound ●●	
Romania	Leu	
Rwanda	Rwanda Franc	
St. Christopher (S)	E. Caribbean $	
St. Helena (S)	£ Sterling	
St. Lucia (S)	E. Caribbean $	
St. Pierre	C.F.A. Franc	
St. Vincent (S)	E. Caribbean $	
Salvador El	Colon	
Samoa (Am)	U.S. $	
San Marino	Italian Lira	
Sao Tome	♥♥	
Saudi Arabia	Ryal	
Senegal	C.F.A. Franc	
Seychelles	S. Rupee	
Sierra Le'ne (S)	Leone	
Singapore (S)	Singapore $	
Somali Rep.	Som Shilling	
Sth. Africa (S)	Rand	
S. W. Africa Territories (S)	S. A. Rand	
Spain	Peseta	
Span. Ports in North Africa	Peseta	
Sri Lanka (S)	S. L. Rupee	
Sudan Rp.	Sudan £	
Surinam	S. Guilder	
Swaziland (S)	Lilangeni	
Sweden	S Krona	
Switzerland	Swiss Franc	
Syria	Syria £	
Taiwan	New Taiwan $	
Tanzania (S)	Tan. Shilling	
Thailand	Baht	
Togo Rp.	C.F.A. Franc	
Tonga Is. (S)	Pa'anga	
Trinidad (S)	Trin. & Tobago	
Tunisia	Tunisian Dinar	
Turkey	Turkish Lira	
Turks & C's	U.S. $	
Uganda (S)	Ug. Shilling	
Utd. States	U.S. Dollar	
Uruguay	Uruguay Peso	
Un'd A'b Emis	U.A.E. Dirham	
U.S.S.R.	Rouble	
Upper Volta	C.F.A. Franc	
Vatican	Italian Lira	
Venezuela	Bolivar	
Vietnam (Nth)	Dong	
Vietnam (Sth)	Piastre	
Virgin Is. U.S.	U.S. Dollar	
Western Samoa (S)	Samoan Tala	
Yemen	Ryal	
Yugoslavia	New Y Dinar	
Zaire Rp.	Zaire	
Zambia (S)	Kwacha	

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.1341 Rh. dollars to £1.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rate: oil and iron exports 7.6398.

(g) The Mongolian tugrik has lately been rep... at an official commercial rate of 0.225 Ru... the North Vietnamese dong at 0.306 roub... North Korean won at 0.7493 roubles. Wi... standing at 1.45 roubles, the following relat... be calculated for the pound: £=6.44 tu... dongs, £1=19.3 won.

♥♥ Information not available for this edition.
* Rate is the Transfer market (controlled).
— Rate now based on 2 Barbados $ to the ...
† BCRA 430.50.
‡ Now one official rate.
(h) Following devaluation.

...glo looks ahead to ...sh laurels

...ETH MARSTON, MINING EDITOR

...O the annual report ...merican Corporation ...n 12 months in which ...uth African mining ...i finance group had ... by 30 per cent. to a ...n. But it carried ...hat there was to be ... laurels, especially in ...allenge of 1975.

...t, last year's profits ... to R84.7m. (£52.9m.) ... the gathering econo- ...and the sharp fall ...uring the second half ...n the price of gold. ...e factors will be ...dend income in the ... although the bur- ...l economic recovery ...be exerting an up-

...e near-term outlook ...ains an enigma and ... consideration for ... which last year ... about 30 per cent. ...orld's production of ...tal and which drew ...f its investment in- ...m.

...ns optimistic for the ...utlook for gold and ...e comments on last ... in jewellery and ...and coupled with a ... reappearance of ...chases from the ...d Asia. The group ... likely increase in ...ction at its Orange ...l mines and at Vaal

...ppear good" for a ...e coal market and ...t the group's new ...n Coal Corporation ...roduce about 20m. tons a year, some 30 per cent. of South Africa's output.

On the other side of the coin, it is disclosed that the suspension of the big Tenke-Fungurume copper project in Zaire will cost Anglo a further $31m. (£17m.), in addition to the $4.62m. already contributed, in order to repay short-term loans, and meet care and maintenance and other costs.

In January it was thought that Charter Consolidated had spent some £17m. on the ill-fated venture and that £6m. more would be needed to cover that company's share of close-down expenses. Anglo's latest figures suggest that Charter's total commitments may now require something approaching a further £2m. It is also stated that the second shaft is now fully operational at Charter's Cleveland Potash operation in Yorkshire where production was limited last year by a lack of hoisting capacity and technical difficulties.

Commenting on its exploration side, Anglo mentions base-metal drilling targets for the current year in the northern and western Cape, the Transvaal and South West Africa. They include a large low-grade nickel occurrence in the eastern Transvaal which is being examined in a joint venture with International Nickel.

Elsewhere in the world, investigations of a copper-nickel deposit in New Zealand have started and a copper prospect is being examined in Fiji. A Brazilian gold prospect is considered "of real interest" while in Malaysia a possibly substantial tin orebody is being explored in which Charter has an important interest.

In all, Anglo continues to press on to earn fresh laurels. But the course of its share price is likely to be dominated by the uncertain African political situation. Meanwhile, the annual statement of the chairman, Mr. Harry Oppenheimer will be awaited with more than usual interest; it is due to be published on about May 12. The shares rose 20p to 310p yesterday.

A PENNY FOR PEGMIN

Holders of Australia's Pegmin, a currently "penny stock" which has managed to survive the aftermath of the country's exploration boom on hopes that never quite materialised, will be intrigued to hear that a cash bid of 1.5 cents (about 1p) per 25 cents share is being made for their company.

The bid comes from the South Australian-incorporated Hollandia house building, land development and mining exploration company. It is recommended by the Pegmin directors who intend to accept the offer in respect of their own shares, but state that they have not sought the advice of an independent expert.

Prior to the news Pegmin were quoted at a nominal 1p-3p and last night they were still around this level. Holders who have long regarded the shares as a "write-off" may now hesitate about accepting this penny bid until they can gain a clearer idea as to why it has been made. They have little to lose in the meantime.

...ND DEALS

...C sells 11.5% of Trizec

...reduction in invest- ... by a British ..., English Property ...as raised $C52m. ...) by selling 11.5 ...its holding in its ...bsidiary, Trizec

... time voting con- ...majority of Trizec ...ed to interests con- ... Peter Bronfman ...d Bronfman, mem- ... probably Canada's ... business family. ...x deal, EPC have ...his voting control ...lthough it retains ... cent. of Trizec's ...'s gross assets in ...n offices, shopping ...her properties are ...0m.

... 51.5 per cent. of ... is to pass to a ... holding company. ...ibute 2.9m. shares ... the Bronfmans' ...ny Edper Invest- ... public subsidiary ..., will contribute

...y in contributions ...part of the present ...52m. to EPC. But. ...es not assume any ...t obligations, EPC has incurred a liability to contribute $C12m. to the holding company and may also choose to subscribe further sums to the company in 1981.

Voting control of the holding company, with 50.01 per cent. of the voting rights, will pass to the Bronfman interests despite EPC having 50.01 per cent. of the equity in this company.

One reason for this unusual arrangement is that, despite EPC's retained majority in Trizec (29 per cent. will be held direct and 25.8 per cent. through the holding company) the voting control in the new holding company is expected to release Trizec from being a foreign controlled company under the Canadian Foreign Investment Review Act.

This Act requires foreign-controlled companies to gain Federal Government permission for acquisitions or investments, including property developments.

Mr. David Llewellyn, chief executive of EPC, said yesterday that the benefits to his company were to reduce the carrying cost of the Trizec investment, currently in EPC's balance-sheet at £46m.; an improvement in profits; the prospect of alternative uses for the cash realised; and an alliance in Trizec with interests "who can open more doors than most people."

Initially the Can$52m. will be held liquid while EPC negotiates with its bankers on early repayments of its foreign debt.

Apart from its Can$12m. liability to subscribe new equity, EPC's other future commitments to the holding company arise through the method of the Bronfmans' payment to EPC.

Carena-Bancorp is subscribing for Can$46m. worth of 10 per cent. Preference shares, maturing in 1981, in the holding company. It is this money, plus a Can$6m. bank loan which makes up EPC's payment.

The Can$52m. paid represents a value of Can$57 on each of the 900,000 Trizec shares which EPC has effectively sold to the Bronfman interests to form the joint company. Trizec shares were trading yesterday at Can$15.

However EPC, through its half share in the holding company, assumes joint responsibility for repaying the loan and redeeming the Preference shares. Mr. Llewellyn said that the interest and some principal of these debts would be paid off through dividends on the Trizec shareholding.

But EPC may subscribe its half share to redeeming the Can$46m. Preference Shares. Mr. Llewellyn said that if EPC chose to subscribe its share, Carena-Bancorp was obliged to match the investment. But if EPC did not wish to subscribe, it could not be forced to. "But we want a situation in which we can repay them," he said.

Mr. Peter Bronfman and Mr. Edward Bronfman are cousins of Mr. Edgar Bronfman of Distillers Corporation-Seagrams. Coincidentally, Mr. Edgar Bronfman's interests, which control Canada's largest property group Cadillac Fairview, are currently negotiating to buy the two-thirds holding of another British company, Capital and Counties, in the Canadian property group Abbey Glen.

BROXLEA

Rectifier Modules International, engaged in the electronic computers field in the U.S. and U.K., is bidding 30p per share for the 75 per cent. of Broxlea Holdings it does not already own, in a deal valued at £240,000.

Broxlea is already the subject of a 25p per share bid from A. F. Bulgin which is recommended by the Broxlea Board who have accepted on behalf of their 29¼ per cent. holding.

Both bidders say it is their intention to retain the identity of Broxlea (electronics and telecommunications) and to develop and expand its operations.

It was also announced yesterday that the Bulgin offer had been accepted in respect of 46.72 per cent.—this includes acceptances from the Broxlea directors. Bulgin intends to declare the offer unconditional as soon as valid acceptance has been received for over 50 per cent.

CROWN AGENTS

The Crown Agents, in a series of further moves to reduce their interests in banking and property overseas, have sold off or reduced three investments.

They have cut down their stake in Westralian Holdings, an Australian merchant banking group, from 24.5 per cent. to 14.5 per cent., realising £442,000 from the disposal. The shares have gone to increase the holding of the State Savings Bank of Victoria to 20.6 per cent.

The Agents have also sold Orchard Square Development Corporation, which has development land in central Singapore, to the Singapore company Metro Holdings. They have also disposed of their 20 per cent. stake in Malaysian International Bankers Berhad to Barclays Bank International.

TRAFALGAR-RITZ

Holders of 139,782 Preferred Ordinary units and of 276,299 Ordinary units (93.2 per cent. and 92.1 per cent. respectively) of the Ritz Hotel (London) have accepted the Trafalgar House Investments offer for the share capital not already owned. The offers both became unconditional on April 6 and remain open. Trafalgar intends compulsorily to acquire the outstanding Preferred and Ordinary units.

...NT ISSUES

EQUITIES

1976 High	1976 Low	Stock	Closing Price	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
£23	£22¼	Berry Pacific Fd. US$1	£22⅛	+⅛	40c	—	3.5	—
$10,500	$9,500	Brasilvest S.A.	$9,500	......	—	—	—	—
85½	82½	Electra Inv. Tst.	85	−½	b3.6	1.1	5.7	21.4
£15⅝	£14½	I.C. Inds.	£14⅞	......	$1.30	—	4.6	—
£22⅝	£21⅜	Tenneco Inc. $5	£21⅝	......	Q$1.[illegible]	—	4.[illegible]	—

...XED INTEREST STOCKS

1976 High	1976 Low	Stock	Closing Price	+ or −
104	95	Arbuthnot Lath. 8% Conv. Uns. 1988	98	......
$100	$99½	Banque Canadienne Nat. 9¼% Deb. 1982	C$99⅝	......
$100	$100	Barclays Bk Intl. 9¼% Cap. Notes 1986	$100	......
$99	$99	Brascan Int. Cap Corp 9¾% Guar Notes 1982	$99	......
10½	10	Chester Water 8% Red. Pref. 1981	10pm	......
10¾	10¼	East Worcs. Water 8% Red. Pref. 1981	10¼pm	......
101	99½	External Inv. Trust Convertible Ln. 1992-[illegible]	1[illegible]	......
40½	38½	GLC 12½% 1983	38½	−½
3½	¼	Greenermans Cum. Ptg. Pref.	¼pm	......
11	10¾	Hartlepools Water 8% Red. Pref. 1981	11	......
87½	85	Howard & Wyndham 12% Uns. Loan 1976-91	87½	......
91¼	96½	IAC 9¼% Notes 1981	$96½	......
100½	$99¾	Manitoba 8¾% Deb. 1985	$99¾	......
101½	$[illegible]½	Midland Bk. FloatCap. Notes 1985	$101½	......
100½	99¼	Mid-Sussex Water 8% Red Prf. 1981	100½	......
101½	99¾	Norway 8¾% $ Notes 1981	101	......
½p	¼p	Pentad 10% Conv. Red. Pref. (With W'rants)	½pm	......
100	100	Royal Bank of Scotland Floating Rate 1985	$100	......
[illegible]	[illegible]	Royal Tst. Mort. Corp. 9¾ Deb. 1981	[illegible]	......
100½	100½	Sandvik 9½% Bonds 1986	$100½	......
74	60	Scot. Met. 7% Conv. 1986	65	−1
102½	99½	Seagram Property 9% Notes 1983	$101½	......
99⅞	99¼	Sutton Dist. Water 7% Prf. 1981	99½	......
6p	½p	Ultramar 7% Con. Red. Pref.	½	−1

"RIGHTS" OFFERS

Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −
—	38	16	BICC	19pm	−1
7/5	151	136	Blackwood Hodge	140	−2
—	68	57	Brent Chemicals	57pm	......
3/4	68	60½	Cement Roadstone	67	−½
5/4	55½	51	Concentric	51	......
1/5	251	214	De La Rue	245	......
3/4	48	48	Deeols (J.H.)	48	+1
[illegible]	[illegible]	[illegible]	Dew (G.)	91	[illegible]
[illegible]	[illegible]	[illegible]	Diploma Invs.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Eva Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Fisons	380	[illegible]
[illegible]	[illegible]	[illegible]	Gill & Duffus	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Greene King	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Huntingdon	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Imperial Metal Inds.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Jacob (W. & R.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Leyland (Jas.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Lloyd (F.H.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Lyons (J.) 'A'	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Parker Timber	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Raine Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Rolls-Royce Motors	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Scotcros	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Southern Construction	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Stakis Inv.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Steetley	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Taverner Rutledge	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Triplex Foundries	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Trust Houses Forte	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Turner & Newall	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Ward (T.W.)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Weyburn Eng.	205pm	[illegible]
[illegible]	[illegible]	[illegible]	Woolworth	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Wordside Burmah	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Youghal Carpets	88	[illegible]

[illegible] footnotes to tables.

APPOINTMENTS

COMPANY NOTICES

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)

NOTICES TO MEMBERS

Annual General Meeting

NOTICE IS HEREBY GIVEN that the fifty-sixth annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44, Main Street, Johannesburg, on Friday, 21st May 1976, at 11h00, for the following business: [illegible]

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
D. H. J. Pattison

26th April, 1976.

General Meeting

[illegible]

By order of the Board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
D. H. J. Pattison

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
26th April, 1976.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Heineken withdraws Bols offer

By Michael Van Os

AMSTERDAM, April 26.

HEINEKEN, as expected, said to-day that it has decided to withdraw its proposed Bols offer now that the latter has put through a share issue proposal.

However, Heineken also stated that since it still thinks the acquisition to be in both companies' interest, it is prepared to formulate a new bid for Bols under certain conditions. These are that the private share issue to the "Bols Foundation" is cancelled, or declared legally invalid, and furthermore that the proposed change in the company's articles of association, due to be dealt with at the annual shareholders' meeting in Nieuw Vennep on Wednesday, is not effected. The proposed changes would limit new shareholders' voting rights while it would also enable Bols to issue preference with a "friendly party" as an additional protection measure against unwanted take-over atempt.

Bols has said earlier that it had made the Fls.4.5m. share issue as it was talking to a foreign distillery and the Bols subsidiary in the country concerned may acquire, or take a share in, the unnamed company.

The Bols Board is also known to dislike the more aggressive Heineken marketing approach and the very dominant position in the Heineken set-up of Mr. Freddy Heineken who has a controlling interest.

McDonnell Douglas improvement

McDONNELL DOUGLAS first quarter earnings per share were 67 cents (60 cents). Net income was $25.3m. ($22.4m.) from sales of $811.3m. ($998.3m.). The order backlog is $4.48bn. ($4.34bn.). Reuter reports from New York.

CFP capital plan

CIE FRANCAISE des Petroles (CFP) said that it had received shareholder permission to raise corporate capital to Frs.2.5bn. from the present Frs.0.69bn. with five years, Reuter reports from Paris.

CFP said in a communique that it also received shareholder authorisation to issue a loan to a maximum of 400m. francs in the form of bonds convertible at any time.

BNP profits up

BANQUE NATIONALE de Paris: Net 1975 group consolidated profit was Frs.305m. (193m.) of which BNP net profit was Frs.210m. (135.4m.)

Total proposed dividend is Frs.26.50 (21.20). Reuter reports from Paris.

Hitachi preferred

HITACHI SHIPBUILDING and Engineering Company said it is considering a plan to issue preferred stocks of about Y10bn. to increase its capital and diversify the sources of its fund raising, Reuter reports from Tokyo.

The non-voting preferred stocks will be convertible into common stocks and have a cumulative dividend clause, the company said.

It will have to amend its articles of incorporation to issue the preferred stocks, it added.

Australian survey

AN EXPECTED substantial upturn in Australian business trading and profits for the first quarter 1976 failed to materialise, Reuter reports from Melbourne on a business opinion survey.

EUROPEAN STEEL COMPANIES

Salzgitter recuperates

BY GUY HAWTIN

FRANKFURT, April 26.

THINGS ARE improving a little at Salzgitter, the West German Government-owned steel and engineering concern. However, steel-making losses continue and the 1975-76 results could well be worse than the meagre profit achieved in the previous 12 months.

Herr Hans Birnbaum, the concern's chief executive, said that much of the loss came from the steel-making sector. The sector was expected to return to the black in the summer, but this was unlikely to balance out the losses.

However, losses were shrinking month by month and the figures improved from month to month. But, said Herr Birnbaum, "they are better but still not good." He was unwilling to make any concrete predictions about the year's outcome. All he would say was that it would probably once again be necessary to dip into reserves.

Results depended on developments on the steel side. The concern's Stahlwerke Peine-Salzgitter subsidiary — the Federal Republic's second largest steel producer—had benefited from the cutting of discounts and it was intended shortly to increase list prices. This would produce a timely, though delayed, improvement in profits.

The group had emerged safely from the worst steel year since the war. While it had not made much of a profit, it had not made a loss, said Herr Birnbaum. Losses in the steel sector had been made good from reserves but in other sectors—above all, shipbuilding—reserves had been built up by about the same amount.

Turnover of the concern as a whole during 1974-75 (ended September 30) fell by 4 per cent to DM9.5bn. (£2.06bn.) while profits declined from the previous year's DM60m. to DM20m. Losses in the steel sector totalled DM130m. (£28.1m.) but steel merchanting operations produced a DM30m profit, thus reducing the steel loss to DM100m. (£21.4m.). During the 12 months Peine-Salzgitter's crude steel output had fallen 22 per cent. to 4.3m. tonnes.

Arbed sees return to profits

LUXEMBOURG, April 26.

ARBED, the Luxembourg-based steel group, expects to return to profitability around mid-1976 and, at the end of the year, may show a small profit, said Mr. Emmanuel Tesch, the president.

The company suffered a Lux. Frs.3bn. loss in 1975, and, Mr. Tesch said, so far this year it continued to operate "in red figures."

"At around mid-year, we expect to return to operating at a profit and hope to show a small profit for 1976," Mr. Tesch said in an interview.

Financial officers said that in the first two months of 1976, Arbed had a loss of Frs.770m. against the year-earlier profit of Frs.300m. They noted that in the last two months of 1975, the loss was about Frs.800m.

Capacity utilisation, which dropped to 60 per cent. in 1975, has improved a little and currently amounts to 70 per cent. But this, Mr. Tesch said, is still "insufficient."

Production of raw steel at Arbed will rise "only a few per cent." from 4.17m. metric tons in 1975, a sharp decline from 5.73m. tons in 1974.

According to latest company figures first quarter 1976 steel production was 1.034m. tons, up 2 per cent. from the 1975 fourth quarter and down 10.4 per cent. from a year ago.

March production of 361 033 tons was down 6.1 per cent from 384 631 tons in March, 1975.

Company sales will rise "well above Frs.40bn." this year from 32.04bn. in 1975 but are unlikely to reach 1974 record volume of 49.17bn., Mr. Tesch said.

Carefully avoiding any quantified 1976 projections Mr. Tesch said that trends at Arbed's major steel-making affiliates, Sidmar in Belgium, and Stahlwerke Roechling-Burbach in West Germany, would about parallel those at the parent company.

The Arbed Group produced 9.76m. tons of raw steel in 1975, down sharply from 12.3m. tons in 1974.

Mr. Tesch said that group output of 12m. tons would be normal but stressed that any optimism on the prospect of attaining normal group output this year would be unjustified, especially in view of the fact that uncertainty prevailed as to whether the current uptrend in the steel industry would continue in the second half of 1976.

Mr. Tesch strongly implied that it remains doubtful yet whether Arbed's losses of the first half would be sufficiently offset by second half profit and that a satisfactory result could be shown at the end.
AP-DJ

Cockerill upturn after losses

LIEGE, April 26.

COCKERILL - OUGREE - Providence et Esperance - Longdoz expects to trade profitably in second half of 1976. But this may not offset losses in the year's opening months, the Board president Baron Clerdent told the annual meeting.

He said due to accumulated reserves and the sale of Cockerill's interest in Sidmar for Frs.Bel.3.1bn. the company managed to survive a let 1975 loss of Frs.3.9bn. (Frs.706m.)

He added that Cockerill has negotiated private and public sector borrowing to ensure it continues to operate and develop normally. He gave no details, but company sources esaid the amounts involved several billion francs.

The current capital-debt ratio is satisfactory, Clerdent said, and the company's assets are well above the current stock market evaluation of the shares.

Orders and prices have risen slowly but steadily so far this year, especially inside the EEC, he added. The recovery is most marked for flat steel products because of the strong revival of the automobile industry; he elaborated, noting that Cockerill has concentrated its expansion in this sector particularly in recent years.

However, he warned recovery could quickly be erased by a new wave of inflation unless there are solutions to world monetary instability, rising raw material costs, and the energy crisis.

Clerdent said the recovery of Cockerill's mechanical engineering division is affected by a strike of 2,300 workers in connection with the level of the annual bonus.

The company paid no dividend (Frs.150) after reporting turnover down to Frs.47.5bn. (Frs.65.2bn.). Cash flow was minus Frs.2.7bn., and depreciation Frs.1.8bn. (Frs.5.4bn.)

Investments totalled Frs.4.9bn. (Frs.5.6bn) and Clerdent said investment in 1976 will be restricted to projects already started.

During 1975 chaotic competition resulted in export price falls of up to 50 per cent. while the cost of raw materials rose by the same amount.
Reuter

Final quarter losses at Estel

BY MICHAEL VAN OS

AMSTERDAM, April 26.

THE large Dutch-German steel combine, Estel, reports a net loss of Fls.92.1m. for the final quarter of 1975. The accumulated loss for the year is thus brought up to Fls.201.9m., which compares with a net profit of Fls.332.9m. the year before. Estel is proposing to pass the dividend.

As for the current year, the company notes that there have been signs, since the end of last year, "indicating a recovery in the steel market. "But this will scarcely lead to an improvement in results for the first quarter, however," the company adds in a statement ahead of the annual report, released in Nijmegen to-day.

The company's sales have fallen to well below the Fls.10bn. mark in the past year, declining to Fls.8.43bn. (1974: Fls.10.2bn.). Estel said in a short comment that the final quarter sales — at about Fls.2.05bn.—were in fact 9.3 per cent. up on the preceding quarter as a result of higher prices, but the operating loss still remained unchanged at about Fls.158m due to continuing cost increases.

Estel added that the divisional breakdown in the final quarter scarcely changed. Steel, hit hardest, was in economic decline, but steel processing, trading and diversification achieved positive results (profits).

Estel's total costs last year were Fls.8.8bn., against Fls.9.4bn. the year before, which, deducted from sales, left an operating loss of Fls.371.2m. in 1975 against a profit of Fls.794.5m. in 1974. The pre-tax loss was Fls.394.1m (profit Fls.559m.).

As for the Dutch arm of the group, KNHS (Hoogovens), its net loss amounted to Fls.108.2m. which compares with a Fls.190m. profit the previous year. Its direct share in the Estel loss was 50 per cent. or Fls.100.9m., and the indirect share (via the 14.53 per cent stake in Hoesch) was a loss of Fls.14.6m. After-tax income from assets kept outside the merger was Fls.7.3m. This meant a loss per share for KNHS of Fls.8.32 compared with a profit of Fls.14.60 the year before. The dividend is also passed, after Fls.5.20 per share of Fls.20 was paid the previous year.

Estel said that 1975 total crude steel production dropped to 9.62m. tons (12.1m. tons), pig iron output to 7.5m. tons (9.6m.) and production of rolled steel products was (consolidated) 7.8m. tons (10m. tons).

Kodak first quarter net profits rise 23%

April 26.

EASTMAN KODAK reported a 23 per cent. gain in net income on a 16 per cent. sales rise for the first quarter ended March 21.

The company attributed the gains to an improvement in the general economic climate, sustained demand for photographic products worldwide and a sharp upturn from the depressed markets of a year ago for fibres, plastics and industrial chemicals.

Net earnings for the 12 weeks rose to $118.1m. (or 73 cents a share) from $95.9m. (or 59 cents a share) a year earlier. Sales rose to $1.14bn. from $989.4m.

Eastman Kodak said "an unfavourable effect of exchange gains and losses and adjustments related to the translation of foreign currencies reduced earnings for the quarter by $10m. in contrast to the first quarter of 1975 when there was no significant effect on earnings."

The company also said that it was "encouraged" by the first quarter results.

"The recent strengthening of the U.S. dollar in foreign exchange markets is expected to have a further adverse effect on earnings."
AP-DJ

Polaroid sales accelerate

BY JAY PALMER

NEW YORK, April 26.

POLAROID, following fast on Eastman Kodak's move into the instant-photographic market, has announced that unit sales of its cameras have risen 60 per cent. during the first three months of 1976.

The Massachusetts-based company, which has effectively dominated instant photography ever since it became commercially feasible in the late 1940s, said that sales during the quarter rose to $182.1m. compared with $142.6m in the same period of last year.

After allowing for sharply higher research and development costs as well as the initial launch costs of the new "Pronto" camera, Polaroid's net earnings rose to $10.57m. from $8.24m. Earnings per share for the three months were $0.32 compared with $0.25.

Polaroid, which has already managed to study Kodak's new line, said that on the basis of "a brief comparison" it is confident that its leadership in instant photography remains unchallenged.

While it can be argued that Polaroid's expertise could give it enough of an initial advantage to overcome Kodak's marketing size, it nevertheless seems certain that the long awaited instant camera war is now about to start.

This being the case, Polaroid's earnings advance now over the first three months will certainly come to be seen as a benchmark growth rate for the days of competition ahead. Although the rate of earnings growth remains somewhat below that seen in the final two quarters of last year, an accelerating growth rate still seems likely in coming months.

Alcoa, Alcan experience improving demand

By Rhys David

SUBSTANTIAL improvements in demand for aluminium so far this year are reported by Alcoa and Alcan—the world's two biggest aluminium companies—in first quarter results.

According to Alcoa, which earned a total of $22.6m. in the first quarter compared with $11.5m. in the final quarter of last year, order bookings are now 70 per cent. ahead of the same time last year with customers' inventories down to normal levels, or below.

Alcan which also improved its earnings to $4.5m. compared with a loss of $4m. in the last quarter of 1975 is to return to higher levels of capacity working at its Kitimat smelter in British Columbia. Annual output will be increased by 16,000 short tons (2,000 lbs) by restarting one-third of a potline over the next six weeks.

The company is also planning to restart in July half its remaining idle Kitimat line, adding a further 25,000 tons of capacity annually. A decision will be made later in the year whether to start up the second half of this line. The company's present operating rate in Canada is 79 per cent. but, with the additional 41,000 tons of Kitimat capacity, this rate will rise to 85 per cent.

Alcoa is forecasting higher shipments in the second quarter of this year with the second half likely to show further gains. According to the company president, Mr. William B. Renner, a strong improvement has already taken place in consumer-oriented markets such as automobiles, packaging and consumer durables following the pick-up in consumer sales which began in the U.S. last year.

Improvements are expected later this year in building and construction markets in the U.S. which are still weak, and in capital goods markets, and possible shortages of metal supplies in late 1977 or early 1978 are being forecast. Alcoa's total sales in the first quarter came to $647.3m. compared with $586m. in the final quarter of 1975 and shipments of aluminium totalled 330,000 metric tonnes.

According to Alcan its results in the first quarter were affected by losses incurred in Japan and Jamaica and the company which, along with other producers, has recently advanced its primary aluminium price, says it was earning a return on average during the quarter of less than 2 per cent. on an annual basis.

No growth seen at Statsfoeretag

BY WILLIAM DULLFORCE

STOCKHOLM, April 26.

STATSFOERETAG, the Swedish state holding company, often compared to the U.K.'s NEB, anticipates "noticeably lower" group profits in 1976, continuing the trend which saw 1974 pre-tax earnings of Kr.986m. shrink to KR321m. (£40m.) last year. Market prospects this year for the group's main mining, forestry and steel companies are still doubtful, according to the final report for 1975.

The report points out that with planned capital investments continuing to be heavy, group borrowings will remain at the same high level as that reached last year, when the long-term debt rose by KR1.46bn. (£180m.) and the short-term debt was up by KR946m. (£116m.), including a rise of KR407m. in short-term bank loans. Statsfoeretag and its subsidiaries undertook long-term borrowing of just under KR1.8bn. (£222m.) last year, of which about half was raised abroad.

To bolster Statsfoeretag's credit worthiness for further foreign borrowing the government has sought parliamentary approval to raise the share capital by KR1.5bn. over the next two years. The group equity/liabilities ratio had sunk from 40 per cent. in 1970 to 27 per cent. at the end of last year. The 1975 report underlines that even in the longer perspective the group's capital-intensive constituent industries will require substantial investments, to keep them competitive.

Last year the consolidated account was also burdened by a Kr.1.42bn. (£175m.) increase in inventories as a result of the policy of producing for stocks, in order to maintain employment. LKAB, the iron ore mining company, tied up over Kr.450m. in stocks, during the year, while ASSI, the forest products concern, held stocks worth Kr.681m. at the end of the year. Group net interest charges were Kr.140m. compared with Kr.87m. in 1974 but currency losses dropped from Kr.95m. to Kr.38m.

"While waiting for more general recommendations on adjusting the annual accounts for inflationary effects," the 1975 final report notes that, if replacement costs had been applied, the stated depreciation of Kr.523m. would have become Kr.980m. After a similar adjustment, stock profits would have grown by Kr.160m., so that after allowing for inflation the listed pre-tax earnings of Kr.321m. would have turned into a loss of Kr.295m. (£36.4m.).

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	103¼	104¼
Ashland 8pc 1987	96	97
Australswiss 8pc 1987	94	95
BFCE 8½pc 1983	99½	100½
CNE 9½pc 1983	102½	103½
Conoco 8pc 1986	100¼	101¼
ECS 9½pc 1986	101	102
EIB 9½pc 1985	102¾	103¾
ERAP 9½pc 1985	103	104
Esso 8pc 1986 Nov.	101¼	102¼
Eurofima 8½pc 1983	99¼	100¼
Gränges 9½pc 1983	101	102
Massey 9½pc 1983	104	105
Michelin 8½pc 1983	101¾	102¾
Modo 9½pc 1983	101	102
Nwfdld. Labrador 9½pc '86	104½	105½
New Zealand 9½pc 1982	103	104
Norpipe 9½pc 1986	100½	101½
Norsk Hydro 9½pc 1986	102½	103½
Oslo 9pc 1983	100¼	101¼
Pacific Light 8pc 1980	96½	97½
Prov. Quebec 9pc 1984	101	102
Scanraff 9½pc 1985	99½	100½
SFE 9pc 1983	101	102
Shell 8pc 1986	101¼	102¼
Stand. Oil (Ind.) 8½pc 1988	102¼	103¼
Svenska Handels 9½pc 1986	100	101
Volvo 9½pc 1985	103½	104½
NOTES		
Barclays 9½pc 1982	101¾	102¾
British Gas 9pc 1981	101½	102½
Charb. France 8½pc 1981	99½	100½
Denmark Mt. Bk. 9pc '88	97½	98½
ECS 9½pc 1981	101½	102½
EEC 8½pc 1982	97½	98
Elec. Council 8½pc 1981	98½	99½
Montreal 9½pc 1983	102½	103½
Nippon Steel 9½pc 1980	103	104
Norway 8½pc 1981	102½	103½
Prov. Quebec 8½pc 1981	100½	101½
Seagram 9pc 1983	102¾	103¾

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81½	83½
Ashland 5pc 1988	86	88
Beatrice Foods 4¼pc 1992	94½	96½
Beatrice Foods 4½pc 1992	105	107
Borden 5pc 1992	97	99
Broadway Hale 4½pc 1987	78	80
Canon Camera 7½pc 1990	135½	137½
Carnation 4pc 1987	81	82
Chevron 5pc 1988	112	114
Dart 4½pc 1987	85	87
Eastman Kodak 4½pc 1988	121	123
Economic Labs 4½pc 1987	82	84
Fed. Dept. Stores 4½pc '85	136	138
Firestone 5pc 1988	90	92
Ford 6pc 1986	99½	101½
Ford 5pc 1988	87½	89½
General Electric 4¼pc 1987	84½	86½
Gillette 4¼pc 1987	80½	82½
Gould 5pc 1987	89½	91½
Gulf and Western 5pc 1988	96	98
Harris 5pc 1992	81½	83½
Honeywell 6pc 1986	53	55
ITT 4½pc 1987	78½	80½
Komatsu 7½pc 1990	104½	106
J. Ray McDermott 4½pc '87	133	135
Mitsubishi Elec. 7¼pc 1991	101½	103
Mitsui 7¼pc 1990	100½	102
J. P. Morgan 4½pc 1987	118½	120½
Nabisco 5½pc 1988	92	94
Owens Illinois 4½pc 1987	103	105
J. C. Penney 4½pc 1987	85	87
Pioneer 8½pc 1989	290	295
Revlon 4½pc 1987	103½	105½
Reynolds Metals 5pc 1988	90½	92½
Sperry Rand 4½pc 1987	98½	100½
Squibb 4½pc 1987	81	83
Texaco 4½pc 1988	78½	80½
Toshiba 6½pc 1990	103½	105
Union Carbide 4½pc 1982	125	127
Warner Lambert 4½pc 1987	91	93
Warner Lambert 4½pc 1988	84	86
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

Brazil finance group put into liquidation

BRASILIA, Ap

THE CENTRAL Bank of Brazil said it has put Financilar-Lume, a financial group partly managed by the Bank of Tokyo and in which the Bank of Tokyo has a minority share holding, into extrajudicial liquidation.

The bank said financial companies within the group were showing strong symptoms of illiquidity by mid-1974, with serious risks for investors and minority shareholders.

The bank acted to prevent a worsening of the situation at the request of the National Housing Bank, and on its own initiative. The Central Bank said following the symptoms of illiquidity, the monetary authorities took emergency measures to solve a dangerous situation. Unfavourable international repercussions because of a minority participation in the group by the Bank of Tokyo could accrue.

The Central Bank said it approved a contract signed at the time by Financilar-Lume's controllers and the Bank of Tokyo, under which the Bank of Tokyo would manage most of the group's financial institutions.

Despite every effort to carry out the Bank of Tokyo's proposals, it was not possible to reach a favourable c mainly because of t arising from operation the signing of the cont

The legitimate intere vestors, creditors and shareholders will be with resources from reserves. Under Braz accumulated funds f financial operations' ta used to indemnify in such cases.

The Bank of Tokyo 33 per cent. share in panies in the Financ group, which is made u companies covering b banking, finance, prop struction and other in
Reuter

● Early in March, it wa in the Financial Time Bank of Tokyo faced $2m. loss on its $17m a Brazilian investment This arose from the of Financilar Banco mento, an institution long term loans to indu Bank of Tokyo owne cent. of the holding which controlled FBI Financilar group. FBI stemmed reportedly f loans made to property

Karstadt slowdow

BY GUY HAWTIN

THE WEST German consumer still appears to be taking a cautious view. There are few signs of any major surge in consumer spending, despite increasing evidence of some upturn in the economy.

According to the banks, the savings rate has decreased somewhat from the extremely high levels of last year, but the Federal Republic's shopkeepers in the first quarter do not seem to have recorded much more than small increases in turnover.

Karstadt, the Federal Republic's leading store concern, reported to-day that turnover, including value added tax, rose by 3 per cent. to DM1.8bn. in the first quarter of the current year. This compares with a 1975 first quarter growth rate of 12.7 per cent., w turnover up to DM1.7b

Karstadt, which o stores, recorded a 2.8 rise in sales, whic DM1.512bn. Turnove travel agency busines 2 per cent. on the s of the previous year t It should be pointed ever, that 1975 was extraordinary growth for the travel

Karstadt points o strict comparison be first quarter of 1975 a three months of t year is not particula because of the chan of Easter. The grou trading, which was i the 1975 figures, does in the first quarter the current year.

NSU recovery prospe

BY MICHAEL VAN OS

AMSTERDAM,

HOLLAND'S largest shipping company, NSU, reckons that although a recovery in the second half of this year is a possibility, profits are expected "somewhat" to trail those of 1975.

The annual report says that a further difficult year is anticipated for the tanker and bulk carrier activities, and that even in liner shipping results are likely to be down. Its Ruys transport group and the "general participations" may turn in improved profits this year, however.

NSU states that the slow-down in international trad creasingly felt in half when profits we Fls.42m. The compa mains "satisfied" w formance last year pointing to the fact had been a peak yea

The company's an also gave a brea its turnover. Line accounted for the l with turnover reachin (Fls.1.37bn.), bulk/t ping accounting for (Fls.170m.) and othe Fls.741m. (Fls.771m.)

The NSU fleet co ships at the end of 19 107 were liner vessels were on order. On t position, it says that able were Fls.222m. of 1975. With Fls.3 ing from its own bu the year and new loa minus redemptions Fls.211m., investment to Fls.499m.: leavin available at the yea additional financing for 1976-78 for ship was Fls.780m. plus small projects.

هكذا صدر الأصل

ANY NEWS

dbroke off to most isfactory start

ER current year adbroke Group are ory," and chairman is confident of -breaking year.

years saw a period and conservation But in 1976 the e to a policy of the U.K. leisure ies and, where eas.

ions are planning vth both organic ion. There is also new businesses, agement (with the gfield Park) being

ys the property undertake new ntrating on build- priced homes, it se sites for office development but risk" business.

ay side, bookings advance of the and a record is he 11 centres. adds that the support given to Grand National fully justified the to save the race. ie marketing and expertise applied National and by improvements. It icrease consider- s of Totalisators Holdings in the

ffice development not be completed ier, negotiations hand to let a of the building ing with original ie office project st complete. and an early letting of the entire space at a good rent is anticipated. The Kalverstraat (Amsterdam) store development will also be finished this year.

As reported on March 25, group profit for 1975 was £12.38m. (£10.06m.), earnings came to 13.1p (11.86p) and the dividend is 4.1178p (3.872p). Adjusting for inflation on a CPP basis, the profit becomes £20.86m. (£20.27m.) and earnings 31.45p (31.9p).

The group is in a strong liquid position, with some £5m. cash on deposit and in hand at the year end. Mainly as a result of the rights issue, share capital increased from £2.24m. to £4.64m., while net assets attributable to shareholders have risen by 44 per cent. to £23.63m. Goodwill on consolidation of £5.18m. has been deducted from reserves although this intangible asset continues to be worth at least that value.

Gearing has again reduced, by 14 per cent. to 1.59:1, in spite of taking up additional long-term loans to finance the completion of investment properties. Excluding the property division there was a 32 per cent. reduction in gearing to 0.58:1.

At the year end assets employed totalled £88.23m.

Year-end capital commitments in the property division were £1.64m. (£3.09m.) authorised and £3.21m. (£11.89m.) contracted, and term finance has been arranged for nearly the whole amount. In other sections, authorisations totalled £451,000 (£1.48m.) and contractions £521,000 (£792,000).

Meeting, Winchester House, E.C., May 25 at 11 a.m.

BROCKHOUSE KAYE

The name of the Brockhouse Group subsidiary, Kaye Alloy Castings, has been changed to Brockhouse Kaye.

The company, manufacturers of pressure and gravity diecastings to the motor and domestic appliance industries, is currently engaged on a large-scale development programme to increase production at both its English and Welsh plants.

S. Gibbons poised for expansion

IN HIS annual statement, Mr. A. L. Michael, the chairman of Stanley Gibbons International — stamp dealers etc.—tells members that in 1976 the company is poised for future expansion in all branches of the business.

He particularly believes "that with our adjacent buildings establishing a "collectors corner" in the Strand, we are building a market place for small works of art of international value which are being increasingly sought after by discerning collectors."

This, coupled with steps taken to expand and increase management staff and expertise will, says Mr. Michael, add to a satisfactory growth.

As reported on April 13, turnover rose from £5.96m. to £7.06m. in 1975. The value of goods exported, including goods sold to overseas subsidiaries was £2.43m. compared with £1.83m. Pre-tax profits advanced from £744,864 to £963,108, and the dividend is 2.57p (2.37p) net.

Meeting, Strand Palace Hotel, WC, on May 20 at 11 a.m.

Low & Bonars' growth aims

VERY CREDITABLE improvements were made in profits earned in the U.K. and Africa by the textile and engineering operations of Low and Bonar Group, during the year to November 30, 1975, in spite of many economic and political problems.

In contrast to these improvements, the results of packaging operations were seriously affected by the economic downturn in Canada.

Reporting this in his annual statement, chairman Mr. L. C. Low forecasts that the encouraging trends should continue in 1976. But packaging division prospects depend very much on the extent and timing of an upturn in the Canadian economy.

Pre-tax profits for last year were £5.36m. (£6.76m.) on sales of £64.66m. (£61.6m.). The dividend is raised from 8.31p to 8.868p net per 50p share.

Mr. Low hesitates to make any firm prediction as to profits for the current year, but says the directors are actively pursuing growth possibilities in new markets and are hopeful that some of these may come to fruition during the year.

On the year under review he says that in the "fiercely" competitive climate of the U.K. packaging industry Low and Bonar Packaging did well to break even.

In the engineering division Bonar Long and Co. had a "very satisfactory" year with turnover and profits substantially higher. Exports continued to increase, rising to 21 per cent. of turnover (17 per cent.). A useful addition to the growth of this division should be provided by three new companies acquired or established during the year.

A marked increase both in sales and profits was reported from Bonar Long NTC, in South Africa, which is expected to have another "very good" year in 1976.

Analysis of turnover and profits shows in percentages; packaging 42 (50.4) and 31.5 (66.3); engineering 18.2 (12.8) and 29.5 (8.2); textiles 37.6 (34.6) and 49.5 (31.7); and Flotex 2.2 (same) and loss 12.7 (10.2).

There has been a significant shift in group borrowings with a large reduction in the U.K. and an offsetting increase in Canada largely to finance the building and equipping of the new Calgary paper bag plant. Almost all the outstanding capital commitments at the year end are in respect of this.

The group continues to have a strong balance sheet with end-of-year bank loans and overdrafts—£5.5m. (£5.42m.)—less than a quarter of capital and reserves. The net current asset position also continued to strengthen from £14.06m. to £15.4m.

Chairman's Statement Page 8

Boddingtons optimistic

Providing costs can be contained in the current year, Boddingtons' Breweries can expect a period of further progress, says the chairman Mr. Ewart Boddington.

Sales continued to grow at a very satisfactory rate and resources available to increase productive capacity are in line with demand.

As reported on March 19, the year 1975 produced sales of £10.62m. (£7.66m.), while profits before tax were up from £1.41m. to £2.13m. The dividend was 1.8888p (1.77p).

APPOINTMENTS

Keith Bright becomes chief executive of Sime Darby

Dr. Keith Bright has been appointed chief executive of SIME DARBY HOLDINGS, succeeding Mr. J. E. Bywater, who continues as chairman. Formerly in the De La Rue group as managing director of Formica International and then director of planning and development in the parent company, Dr. Bright joined Sime Darby as an executive director in September, 1974. His subsequent appointments included director of operations, deputy chief executive and chairman of the Sime Darby Group Executive Board.

★

Mr. E. J. P. Brodie is to become secretary and chief accountant of ASSOCIATED FISHERIES and Mrs. S. M. L. Kibble will be assistant chief accountant. Both appointments are effective from June 1 following the retirement of Mr. J. C. Atkin at the end of May.

★

Mr. Alan Parfett, general manager Lonsdale and Thompson, has been appointed a director of the LANDMARK CASH AND CARRY GROUP.

★

Mr. Peter Couldwell has been elected a director of W. E. NORTON (HOLDINGS). He has been with the group since 1965.

★

Mr. R. A. Edwards, assistant secretary of the London Metal Exchange, has been appointed to the Industrial and Commercial Members Committee of the ASSOCIATION OF INTERNATIONAL ACCOUNTANTS.

★

Mr. R. G. Hart and Mr. M. D. Hare have been appointed assistant general managers, MIDLAND BANK, INTERNATIONAL DIVISION from May 1. Mr. Hart is at present senior executive, European area, international division, and Mr. Hare is assistant staff manager, personnel relations, staff department.

★

The Duke of Argyll has become a direction of CHARISMA TRAVEL.

★

Mr. P. R. Sabin has been appointed chief finance officer of REDDITCH DEVELOPMENT CORPORATION in succession to Mr. William C. Evans, recently named as the Corporation's new general manager.

★

Three new farmer directors have joined the Board of UNITED OILSEEDS. They Mr. John Fullarton, Mr. Raymond McLeod and Mr. Herbert Snelgar.

★

BIRMID QUALCAST (FOUNDRIES) has appointed Mr. Julian R. Smith as managing director of Dartmouth Auto Castings from July 1. He is at present managing director of C. & B. Smith Foundries, a member of the group. Mr. F. S. Tomes continues at Dartmouth Auto Castings as director and general manager. Mr. L. E. Stuffins, who was previously managing director of Dartmouth Auto Castings maintains total responsibility, as managing director, for Midland Motor Cylinder. Mr. R. J. B. Smellie, at present administrative director of C. & B. Smith Foundries, will become deputy managing director there on May 1.

★

Mr. Thomas Ashworth has been appointed a general manager of BARCLAYS NATIONAL BANK and will take up that position in August. Mr. Felix Cardoso has been elected vice-chairman of BARCLAYS BANK OF NIGERIA from June 1. Mr. Kenneth Dickenson will shortly take up his new post as an assistant general manager of Barclays Bank of Nigeria and he has also become a director of that bank.

★

Mr. R. C. Allardyce and Mr. R. Curtis have been appointed directors of Glanvill Enthoven (Marine). Mr. D. J. Forcey and Mr. D. Stimpson have meen made directors of Glanvill Enthoven (Reinsurances). Both concerns are members of the CHARTERHOUSE GROUP.

★

Mr. C. B. (George) Longhurst, chairman of COCA-COLA SOUTHERN BOTTLERS, retires this month after 39 years with the Coca-Cola organisation. He is succeeded by Mr. Michael Hoare, executive director of Watney Mann and Truman Holdings (part of the Grand Metropolitan Group and Southern Bottlers' parent company).

★

Mr. D. T. Atkinson, Mr. H. R. Hassell, Mr. H. Langford, Mr. W. P. Mellor and Mr. W. Rowland, executives of TANKS AND DRUMS, have been elected to the Board

★

On relinquishing his appointment as chief executive and taking up a senior appointment with the Legal and General Assurance Society, Mr. C. S. S. Lyon has resigned from the Board of the VICTORY INSURANCE COMPANY and its subsidiary, Treaty Reinsurances.

★

Mr. George R. Barton has been appointed sales director of KADO BUSINESS SUPPLIES.

★

Mr. Roger Brudenell has been appointed sales director of CHRISTOPHER AND COMPANY from May 3.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early losses regained: Index rises 2.05

BY OUR WALL STREET CORRESPONDENT

NEW YORK, April 26.

A MIXED trend prevailed on Wall Street to-day, after early selling on speculation that the Federal Reserve was tightening its credit policy slightly because of a sharp recent expansion in the U.S. money supply.

Following another 5.91 fall to 994.80, the Dow Jones Industrial Average finished 2.05 up at 1,002.76 although losses outpaced gains by 777-to-696. The NYSE All Common Index put on 7 cents to $54.54, while the trading volume further decreased 1.48m. shares to 15.52m.

There were no further indications of Fed monetary policy, and some analysts remained sceptical that it had in fact made some tightening.

The stock market's rebound was assisted by Eastern Airline's (up $1½ at $8¾) announcement that it would report record earnings for any quarter and that it expects to be profitable in 1976.

Other firm spots in the Air Carrier Group included Trans World Airlines, up $⅜ to $12⅞, Northwest Airlines $⅝ to $29½, and American Airlines $½ to $10⅝ and Continental Airlines $⅝ to $9.

Blue Bell climbed $1⅞ to $47½ on sharply higher earnings.

Teledyn moved ahead $2⅞ to $52, Eastman Kodak $⅞ to $111⅞ on improved profits. Digital Equipment $3½ to $180, and Burroughs $1 to $105⅞.

Lykes-Youngstown were off $1⅛ to $22, reflecting sharply lower first quarter net earnings.

The American SE Market Value Index moved up 0.27 to 103.36, although declining issues outnumbered advances by 343-to-291. Houston Oil and Minerals, the most active issue, was off $⅝ to $49⅛ on a volume of 62,000 shares.

Also active were Lea-Ronal, up $1⅛ to $9, C and K Petroleum, off $⅜ to $18⅞, Flagstaff, up $⅛ to $4¼, and Brascan, off $⅛ to $11½.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Eastern Air Lines	241,900	8¾	+1½
Tiger Intnl.	204,500	15⅞	+⅝
Cent. Sou. West.	152,900	15⅛	+⅛
Continental Air	132,300	9	+⅝
Chrysler	131,900	20⅝	+⅛
Amer. Tel. Tel.	130,900	57⅞	+½
Signal Co.	116,300	29⅞	−⅞
Xerox	116,300	52½	+⅛
Texaco	113,700	26⅞	—
Kimberley Clark	112,300	40⅝	+⅛

OTHER MARKETS

Canada irregular

Canadian Stock Markets also finished irregular in moderate trading yesterday.

The Gold Share Index rose 3.59 to 292.93; Western Oils firmed 0.24 to 223.39, Utilities hardened 0.16 to 139.79 and Papers stiffened 0.06 to 129.25. But Industrials eased 0.13 to 192.57, Base Metals shed 0.27 to 90.17 and Banks lost 2.54 to 247.53.

Fraser advanced $1⅞ to $25⅞ on earnings.

Imperial Oil lost $⅛ to $23—it reported "flat" first quarter results and noted that tests at its Netserk F-40 Beaufort Sea well yielded gas flows.

Canadian Tire "A" rose $½ to $48¼ and Dome Petroleum added $⅞ at $36⅞.

PARIS—Generally lower on renewed concern over the effects of Capital Gains Tax.

Investments, Foodstuffs, Motors, Stores and Electricals all lost ground, while Rubbers were generally easier.

Banks went against the trend and gained ground, however, as did Oils and Chemicals. Engineerings were mixed.

Pricel fell Frs.5.1 to Frs.158.7 after announcing a reduced dividend. LMT lost Frs.95 to Frs.1,865 pending an announcement, expected shortly.

In the Foreign sector, Gold Mines were strong, Americans and Dutch issues were irregular, while Germans were slightly lower.

BRUSSELS — Domestic shares were mainly higher in active trading.

Steels, Electricities and Holdings led the improved trend. Clabecq gained Frs.155 to 4,895 in Steels, Intercom Frs.25 to 1,680 in Electricities and Societe Generale Frs.50 to 2,350 in Holdings.

Oils were little changed. Vieille Montagne lost Frs.60 to 4,040 in lower Metals. Chemicals were lower.

U.S. shares were mixed, Dutch issues lost ground, as did Germans, Zaireans and French shares were little changed, while South Africans were strong.

AMSTERDAM—Generally easier. Dutch Internationals eased. Hoogovens led declines on its dividend omittance and sharp loss for 1975.

Banks and Insurances declined, while Transportations were mixed.

Bols fell Fls.10.50 to Fls.93.50 on the issue of extra shares. Heineken rose Fls.1.50 to Fls.146.30.

Van Ommeren put on Fls.2.5 in spite of its dividend cut and sharp profit fall for 1975.

State Loans were steady.

SWITZERLAND.— Local shares generally edged lower and bearer stocks of major Banks eased. Insurances were *quietly steady*, while Chemicals lost ground.

State Bonds were slightly firmer.

On the Foreign sector, Dollar stocks drifted lower in fairly active dealings, while Dutch Internationals were little changed.

GERMANY—Lower in featureless trading, with losses averaging up to DM3.

However, VW added DM1.70 on the decision to proceed with the U.S. assembly plant.

Otherwise BBC down DM5.20, Daimler off DM4, and Dresdner down DM3.10, led most sectors lower.

Stores and Utilities were maintained.

Public Bonds weakened between DM0.35 and DM0.80, while Foreign Mark Loans were mixed.

OSLO—Industrials and Banks were easier, while Insurances and Shippings were quiet.

COPENHAGEN — Mixed in moderate dealings.

MILAN—Narrowly mixed after another dull session in very slow trading.

Bonds were virtually unchanged.

VIENNA—Barely steady in light volume.

TOKYO—Mixed trend. Volume 200m. shares.

Blue Chips, Electricals and Resources—Related issues such as Oils led early gains, but support was not sustained due to lack of fresh factors.

Pioneer Electronic rose Y140 to 3,180, Honda Motor Y11 to 735, *Teikoku Oil Y7 to 357 and Nippon* Oil Y19 to 379.

Petroleums improved on the Yen's rise against the dollar.

Nichiban moved up Y25 to 327 on talk that it will merge with a privately held Pharmaceuticals concern.

TDK put on Y50 to 1,720, R.K. Mizuno Sporting Goods Y25 to 895, Makita Electric Y30 to 1,980, Hoya Glass Y25 to 855, Kureha Chemical Y19 to 400, and Ito Ham Y12 to 720.

Casio Computer were down Y34 to 865, Orient Leasing Y40 to 1,360, Marudai Food Y50 to 1,190, Sekisui Prefab Y20 to 1,350, Q.O. Y24 to 756, Marui Y19 to 969, Tohoku Metal Y16 to 219, Victor Y15 to 465, Taihei Dengyo Y15 to 860 and Shimura Kako Y12 to 115.

HONG KONG—Slightly lower in decreased trading.

Kong Kong Bank were down 10 cents to $HK20.40, Hutchison 1½ cents to $2.975, Swire Pacific "A" 30 cents to $9.60, Wheelock "A" 7½ cents to 2.70, and Hong Kong Electric 15 cents to $4.35.

JOHANNESBURG—Gold shares were firmer on renewed London demand, but towards the close some profit-taking was noted. Heavyweights gained up to R2.20, while Marginal and Speculative issues put on up to 50 cents.

Mining Financials firmed marginally.

Metals responded to local buying, Coppers were harder but quiet.

Industrials were little changed.

AUSTRALIA—Generally firmer. Leading Minings and Industrials mainly better in subdued trading.

Among weaker Uraniums, Pancontinental fell 40 cents to $A9 and Peko-Wallsend 6 cents to 5.60.

Woodside Burmah rose 2 cents to 94 cents and BHP 10 cents to 7.46, but CRA shed 4 cents to 2.86.

MIM picked up 3 cents at 2.70 and EZ Industries advanced 10 cents to 3.75. Philip Morris rose 10 cents to $9.

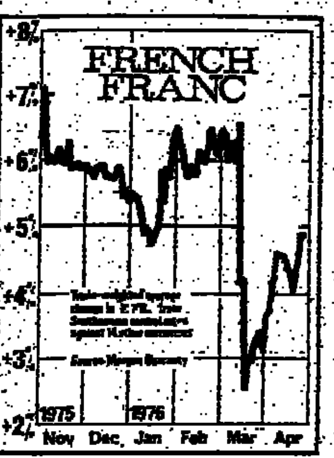
Firmer tone in £

Sterling finished at further record low levels against the U.S. dollar and major currencies in general yesterday, but the pound's trend during the day was much firmer. Its initial weakness followed a sharp fall to around $1.8020 in New York on Friday, and the Bank of England's early calculation of sterling's trade-weighted average depreciation since December, 1971, widened to a record 38.2 per cent., but improved to 37.7 per cent. at the close, after standing at 37.9 per cent. at noon.

After the early decline to $1.8050-1.8060 against the dollar, the pound improved steadily to about $1.8125 with the authorities taking the opportunity to push the rate higher in fairly quiet trading. Following publication of a larger U.S. trade deficit in March, sterling gained ground to a best level of $1.8205-1.8215, and closed at $1.8185-1.8195, a fall of 40 points from Friday's close in London. Mr. *Len Murray's optimistic state*ment about talks on wages between the Government and the TUC appeared too late to effect the London market.

The U.S. dollar was generally slightly weaker against other currencies and its trade-weighted depreciation, as calculated by Morgan Guaranty of New York, widened to 1.49 per cent. from 1.44 per cent. on Friday.

Gold gained $¼ to close at $127¾-128¼. The krugerrand finished at $131-133 (£72-73) in both the domestic and international markets. Its premium over the gold content was little changed at 3.12 per cent.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	April 26	April 23
Sterling	0.633661	0.627364
U.S. dollar	1.14832	1.14908
Belgian franc	44.7730	44.8400
Deutsche mark	2.91340	2.92211
French franc	5.35546	5.36491
Italian lira	1025.81	1021.47
Japanese yen	344.256	344.394
Dutch guilder	3.08725	3.09105
Swedish krone	5.05261	5.06423
Swiss franc	—	2.90740

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

April 26	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.537-538	64.35-42	6.604-615	4.601-609	94.34-40	100.43-51
N. York	39.38-40	—	21.44-48	2.567-570	1.8200-8210	37.19 21	39.57-59
Paris	153.695-095	4.6567-6657	—	11.954-9765	8.444-469	175.35-75	184.565-965
Brussels	15.54-28	38.96-98	8.35-57	—	70.66-69	14.48-51	15.41-45
London	4.61½-62½	1.8185-95	8.47½-48½	70.75-85	—	4.88½-83½	4.58½-59½
Am'erd'm	105.975-025	2.6872-97	57.645-695	1.1965-9015	4.8725-75	—	106.425-475
Zurich	99.48-61	2.5266-80	54.14-19	6.47-48	4.5785-85	93.52-94.02	—

U.S. $ in Montreal: U.S. $=98.24-26 Canadian cents.
Canadian $ in New York. C$=101.80-82 U.S. cents. U.S. $ in Milan 890.0-885.0
Sterling in Milan 1617.0-1618.0.

EURO-CURRENCY INTEREST RATES*

April 26 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11½-12	4⅝-6⅛	7¼-8¼	⅞-1⅛	1⅝-1⅝	⅝-⅝
7 days notice	12½-13½	4¾-5¼	8-9	⅞-1⅛	2¼-2½	1⅛-1⅝
Month	12½-13	5¼-5⅝	8⅞-9⅜	3-3¼	3-3½	⅞-1
Three months	12-12½	5¼-5¾	8½-8¾	3-3¼	3¼-3⅝	1¼-1⅝
Six months	11⅝-12¼	5¾-6¼	9½-9¾	3¾-4	3⅝-3¾	1⅛-1⅝
One year	12-12⅛	6½-7	8⅝-8⅞	4¼-5	4⅜-4½	1⅞-2⅛

Euro-French deposit rate: two-day 7¼-7¾ per cent.; seven-day 8½-9½ per cent.; one-month 10½-10⅞ per cent.; three-month 11¼-11½ per cent.; six-month 11½-11⅞ per cent.; one-year 10½-11½ per cent.

Longer-term Eurodollar deposits: two years 7¼-7⅝ per cent.; three years 7⅝-8¼ per cent.; four years 8¼-8½ per cent.; five years 8⅜-8¾ per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5⅛-5⅜ per cent.; three months 5⁵⁄₁₆-5⁷⁄₁₆ per cent.; six months 5⅞-5⅞ per cent.; one year 6⁷⁄₁₆-6⁹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two days' notice for guilders and Swiss francs.

GOLD MARKET

	April 26
Gold Bullion (a fine ounce)	
Close	[illegible]
Opening	[illegible]
Morning fix'g	[illegible]
Afternoon fix'g	[illegible]
Gold Coins domestic'ly	
Krugerrand	[illegible]
NewSov'r'gns	[illegible]
Old Sov'r'gns	[illegible]
Gold Coins (Intern'n'ly)	
Krugerrand	[illegible]
NewSov'r'gns	[illegible]
Old Sov'r'gns	[illegible]
$20 Eagles	[illegible]
$10 Eagles	[illegible]
$5 Eagles	[illegible]

FOREIGN EXCHANGE

April 26 1976	Bank Rate %	Day's Spread
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Copenh'gen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

† Basic discount, 2 Given convertible francs. Closing 72.80-73.00.

OTHER MARKETS

*Argen'na	[illegible]
Australia	1.6[illegible]
Brazil	[illegible]
Finland	[illegible]
Greece	[illegible]
H'ngKong	8.8[illegible]
Iran	[illegible]
Kuwait	0.5[illegible]
Luxemb'g	70.[illegible]
Malaysia	4.6[illegible]
N.Zealand	1.8[illegible]
SaudiArab.	6.[illegible]
Singapore	4.49[illegible]
S. Africa	1.58[illegible]
U.S. — Canada C$1— U.S. cents	101.[illegible]

Based on [illegible] dealers. * [illegible] BSFA rate [illegible]

FORWARD RATES

	One month
New York	0.97[illegible]
Montreal	0.35[illegible]
Amst'dam	3⅞-[illegible]
Brussels	15c.[illegible]
Cop'nhg'n	[illegible]
Frankfurt	3¼-[illegible]
Lisbon	par-[illegible]
Madrid	60-1[illegible]
Milan	27-3[illegible]
Oslo	3½-[illegible]
Paris	2½-[illegible]
Stockh'lm	3¼-[illegible]
Vienna	30-1[illegible]
Zurich	4¼-[illegible]

Six-month forward U.S. $ [illegible] pm and 12-month [illegible]

Indices

NEW YORK—DOW JONES

	April 26	April 25	April 22	April 21	April 20	April 19	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	1002.76	1000.71	1007.71	1011.02	1005.46	988.11	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	75.47	75.52	75.50	75.56	75.51	75.59	75.50 (22/4)	58.11 (2/1)	—	—
Transport	212.45	212.14	215.48	212.89	211.31	208.51	215.48 (22/4)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.87	87.87	87.62	87.77	87.84	87.87	91.80 (4/2)	84.84 (2/1)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	15,520	17,900	20,220	26,600	25,590	16,500	—	—	—	—

	April 23	April 19	April 9	Year ago (approx.)
Ind. div. yield %	3.69	3.76	3.81	4.58

STANDARD AND POORS

	April 26	April 23	April 22	April 21	April 20	April 19	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	115.23	115.05	115.89	116.50	115.79	114.15	119.57 (24/3)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	102.45	102.29	102.98	103.32	102.87	101.44	103.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	April 22	April 19	April 15	Year ago (approx.)
Ind. div. yield %	3.28	3.76	3.37	3.91
Ind. P/E Ratio	14.00	—	13.58	9.74
Long Govt. Bond yield	5.49	—	5.40	6.22

N.Y. S.E. ALL COMMON.

April 26	April 23	April 22	April 21	1976 High	1976 Low
—	54.48	54.94	55.00	55.20 (5/4/76)	57.88 (2/1/75)

Rises and Falls April 26

Issues Traded—1,874	Up—696	Down—777	Same—401
New Highs—48	New Lows—24		

MONTREAL	April 26	April 25	April 22	April 21	1976 High		1976 Low	
Industrial	205.02	205.41	204.06	205.54	205.67	(25/2)	178.92	(2/1)
Combined	196.22	195.78	196.25	195.69	198.67	(24/2)	175.67	(2/1)
TORONTO Industrial	192.57	192.70	195.21	192.74	197.45	(20/2)	173.81	(2/1)
JOHANNESBURG Gold	205.4	191.2	188.8	186.0	226.7	(12/3)	174.4	(5/4)
Industrials	205.0	205.1	204.5	204.4	212.8	(3/1)	198.5	(5/4)

	April 26	Previous	1976 High	1976 Low
Australia (a)	—	455.26	472.31 (12/3)	440.52 (5/1)
Belgium (b)	104.38	104.52	115.16 (6/2)	104.34 (20/4)
Denmark (d)	103.38	103.56	107.78 (27/1)	100.20 (10/3)
France (e)	65.5	66.5	74.5 (5/3)	66.0 (22/4)
Germany (f)	752.7	757.8	821.7 (11/3)	766.5 (2/1)
Holland (g)	101.3	101.2	105.3 (5/2)	93.8 (29/1)
Hongkong (h)	426.56	430.69	465.23 (17/3)	354.03 (2/1)
Italy (k)	73.59	76.82	91.37 (25/3)	72.23 (12/4)
Japan§ (m)	336.63	336.73	344.51 (24/3)	326.28 (5/1)
Singapore (n)	261.62	251.66	286.10 (5/2)	256.35 (2/1)

	April 26	Previous	1976 High	1976 Low
Spain (p)	—	89.36	95.65 (2/1)	85.45 (1/4)
Sweden (q)	454.02	452.68	455.82 (7/4)	393.50 (19/1)
Switz'rl'd (r)	—	282.5	293.6 (12/3)	265.2 (6/4)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73. (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 425 Industrials. † 425 Inds., 50 Utilities and 25 Rails. § April 24 price.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—112¼% (108½%)

NEW YORK

Stock	April 26	April 23
Corning Glass	72	70⅝
CPC Int'nation'l	45⅞	45½
Johns Manville	31⅝	31⅛
Johnson Johnson	85⅝	87¼
Hewling	1¼	1¼
Republic Steel	35⅛	35⅞
Zenith Radio	36	36
Chile 6% 1993	69¼	69¼
[illegible]	[illegible]	[illegible]

CANADA

Stock	April 26	April 23
[illegible]	[illegible]	[illegible]

GERMANY ♦

April 26	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	100.2	−0.6	—	—
Allianz Versich.	419.5	−2.5	17	2.0
B.M.W.	251	−2.9	14	3.0
BASF	164	−1	17	—
Bayer	140.4	−0.7	17	5.6
Bayer Hypo.	284	−1	20	3.6
Bayer Vereinsbk.	299.5	−4	20	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

April 26	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	720	—	—	—
ANIC	615	−4	60	—
Assicur. Fin.	3,780	−40	120	3.5
Bastogi	935	−5	70	7.5
Breda	1,651	+1	150	9.1
Burgo	9,100	−110	200	2.2
Centrale	5,245	+85	200	3.9
CIGA	2,460	+85	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

April 26	Price Frs.	+ or −	Div. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

April 26	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND ♦

April 26	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

April 26	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

April 26	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

April 26	Aust. $	+ or −
Acrow Australia	†0.75	—
Adelaide Brighton Cement 50c	†1.11	—
Allied Mfg-Trdg. Indus. $1	†1.88	+0.03
Ampol Exploration	†0.85	—
Ampol Petroleum	†0.56	−0.01
Assoc. Minerals	†3.15	—
Assoc. Pulp Paper $1	†0.88	—
Aust. Cons. Industries	†1.80	—
[illegible]	[illegible]	[illegible]

TOKYO

April 26	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

April 26	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

April 26	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO ♦

April 26	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

April 26	Rand	+ or −
Anglo American Corpn.	[illegible]	[illegible]
Charter Consolidated	[illegible]	[illegible]
East Driefontein	[illegible]	[illegible]
Elsburg	[illegible]	[illegible]
Harmony	[illegible]	[illegible]
Kinross	[illegible]	[illegible]
Kloof	[illegible]	[illegible]
Potgietersrust Platinum	[illegible]	[illegible]
St. Helena	[illegible]	[illegible]
South Vaal	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

INDUSTRIAL

[illegible]	[illegible]	[illegible]

SPAIN ♦

April 26	Per cent	+ or −
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices exclude S premium. [illegible]

هكذا اصل الأصل

MINING AND RAW MATERIALS

silver at level

Correspondent

TTA, April 26.

R prices have rd level because d from London, de sources. The Rs.1,273 (£75) a

ent has already exports, not only free licensing— February, 1974— iota for Bombay, as and Delhi, e permitted to ts for silver ex-

State Trading been permitted on its own, un- e ceilings fixed outlets. Accord- rt, the Corpora- contracted with business. silver totalling 975-76, compared in hte previous

demand cotton d

ON, April 26.

culture Depart- d a continuing or U.S. cotton year and says s, rather than reign demand, r. limiting total

f its cotton and ort, to be issued Department also ool market is substantial drop parel-type wool, increasing use , and rising raw

farmers were ing to plant a ger acreage of a substantial roduction this st year's abnor- of 8.3m. bales.

butes increased ng cotton this ial rise in farm st year, reflect- emand both at for cotton and

estic use and or U.S. cotton arketing year gust could rise m. bales, com- t 10.75m. this t predicts.

Government acts to halt beef 'mountain' build-up

BY PETER BULLEN

THE GOVERNMENT acted last night to check an alarming rise in Britain's intervention beef "mountain."

The Ministry of Agriculture announced that from Monday next all medium-grade steers would be excluded from sale into intervention, which should remove 40 per cent. of the eligible cattle likely to be offered.

Its action follows a jump in U.K. stocks of frozen intervention beef, from 3,100 tons at the end of March to an estimated 7,500 tons this week. With offerings of beef for intervention coming in at the rate of 1,000-1,200 tons a week, Mr. Fred Peart, the Minister of Agriculture, had to act.

He has stressed repeatedly that he prefers to see British beef on sale to consumers, rather than losing quality in store stockpiles. At the same time the EEC as a whole has been worried by the rise in intervention beef stocks and the measures to remedy the situation were agreed by a beef management committee in Brussels on Friday.

The Ministry stressed yesterday that the ban on medium steers would be for a limited period only. In any event, its effect would be reviewed at the end of June.

Beef intervention buying levels had been under close review throughout the EEC and action was being taken in several member states to restrict its use for the time being. This refers to West Germany, which has taken a similar step to the U.K. to reduce its intervention buying (running at about 4,000 tons a week recently); and Belgium where intervention buying-in prices have been reduced.

Necessary role

In the judgment of the agriculture ministers, present market conditions did not warrant excessive use of intervention buying, the Ministry said. But they felt that it still had a necessary role to play in underpinning the market and the variable beef premium to achieve the largest price for producers. "It remains their intention to use intervention in this way, especially if the market is weak in autumn," it said.

Livestock producers were unhappy about the decision, however. Sir Henry Plumb, National Farmers' Union president, said that, as far as Great Britain was concerned, it was "unnecessary and inevitably raised doubts about the reliability of the Government's beef support assurances."

Only a small percentage of cattle were sold into intervention and the removal of medium steers would throw more of the support burden onto the variable premium payments, which were subject to a maximum rate.

"If as a consequence it looks as though the target price between now and the end of June will not be achieved, the Government will have to honour its commitment either by restoring full intervention, or by other means," he said.

With the average market price for cattle in Britain nearing the £26 a live cwt mark—about £1 below the target price—the size of the variable premium does not seem too much of a worry at present as the maximum payable in any week can go up to as much as £2.83.

What has surprised many market commentators is the number of cattle going into intervention recently, due partly to the higher level of intervention prices available following the last EEC farm price review, and partly to the resistance of consumers to pay high prices for beef, thus depressing demand.

Good crop prospects outside U.S.

WASHINGTON, April 26.

MAJOR CROP producing areas outside the U.S. are experiencing beneficial weather, for the first time in over a year, says the U.S. Commerce Department's National Oceanic and Atmospheric Administration (NOAA).

In an initial release entitled "Weather and World Food Assessment Report," which the Department hopes to publish on a bi-weekly basis, NOAA says the Soviet Union has had near normal spring weather, following a severe drought last year and a cold, relatively dry, winter.

The eastern seaboard of India —where near-drought affected the winter rice crop—was being reseeded in expectation of the monsoon rains in late May or early June.

Winter wheat regions of Australia, Argentina and South Africa, which had experienced severe crop-damaging weather, were now enjoying good crop-growing conditions.

Meanwhile rains in drought-stricken regions of Kansas, Colorado, Oklahoma and Texas in the past 10 days came too late to benefit the winter wheat, which had been too seriously stressed to develop normally.

However, most areas of Kansas and Oklahoma now have a good supply of soil moisture, says the report, and substitute plantings will provide an acceptable alternative crop to the wheat loss in these areas.

In Ottawa, meanwhile, the crop section of the Canadian Agriculture Statistics Department says stocks of grains on March 31, totalled 295m. bushels, against 350m. on the same date last year.

Total wheat stocks amounted to 536.9m. bushels (556.1m. last year), including 301m. bushels on farms (327m.).

Reuter

Strike hits NZ lamb industry

By Dai Hayward

WELLINGTON, April 26.

A STRIKE by freezing and process workers has disrupted killing and processing of New Zealand lambs for Britain.

The men walked off the job at eight plants to-day in protest over pay negotiations. The union will shut down seven or eight plants each 24 hours in a series of rolling strikes.

Each plant kills up to 10,000 lambs a day. The stoppage comes at the height of the killing season and will particularly hit sheep farmers in South Island, who are suffering from local drought and need to get their animals killed without delay.

By the end of this week, every works in the country will have been hit.

£ weakness lifts cocoa and coffee

By Richard Mooney

LONDON'S LEADING "soft" commodity markets continued to be dominated by the misfortunes of sterling yesterday.

Cocoa and coffee prices soared to still higher record levels, while world sugar values, which have been relatively little affected by the plight of the pound, registered significant gains.

July cocoa climbed to £1,122 a tonne before afternoon profit-taking trimmed prices. The closing price of £1,109.5 a tonne was £44.75 above the pre-weekend level.

Dealers said there was no fundamental news affecting the market, though talk of manufacturer resistance to current prices may have encouraged profit-taking.

The rise in coffee values was also seen as a mainly speculative move. The July quotation closed at £1,422.5 a tonne, up £44.5, after reaching £1,434 at one stage.

Currency considerations were also the main influence on the sugar market, though concern over dry weather in Western Europe and reports that India had no more sugar to offer because of a short crop also aided sentiment. The August position on the London terminal market ended £4.95 higher, at £189.9 a ton.

Australian wool sales to resume May 4

SYDNEY, April 26.

WOOL AUCTIONS will resume in Brisbane, Melbourne and Fremantle on May 4, following the end of the wool storemen's dispute, Mr. Bill Williams, secretary of the Joint Wool Selling Organisation, has announced.

Offerings at the three-day auctions would be Brisbane 36,000 bales, Melbourne 48,150 and Fremantle 47,500.

In the following week, sales would be held at the following centres (with offerings in brackets): Newcastle May 11, 12, 13 (42,500 bales), Adelaide same days (55,000); Portland May 12, 13 (34,000) and Albany May 12 (9,000).

Reuter

FREE MARKET PALLADIUM

Companies issuing the London platinum quotation, Argos Metals, Ayrton Metals and Samuel Montagu, have begun a London daily palladium quotation. Yesterday's price was 22.3 ($40.5) a troy ounce.

COMMODITY AGREEMENTS

Bolivian threat to tin pact

BY JOHN EDWARDS, COMMODITIES EDITOR

THE SHOCK announcement by Bolivia that it is not going to sign the new International Tin Agreement after the present pact expires on June 30 is a serious setback for supporters of commodity pacts between producer and consumer countries.

The International Tin Agreement is the only commodity pact operating effectively at present and it is constantly being held up as a model agreement for other commodities to follow.

For the past 20 years, the Tin Agreement has brought relative stability to the tin market by the use of a buffer stock, which buys and sells tin within agreed price ranges. Export quotas are also implemented as a last resort to prevent prices falling below the "floor" level.

In addition, it is acknowledged that the Agreement is a means of protecting producing countries from being damaged too severely by periods of price depression during an industrial recession.

The guaranteed "floor" price, defended by the buffer stock and export controls, means that most mines can keep producing even when demand is at a low ebb.

The threat by Bolivia, the world's highest cost producer of tin, is somewhat surprising, therefore, and indicates the feeling of unrest among tin producing countries concerning the Tin Agreement.

It is difficult at this stage to be certain how serious Bolivia is in its stated intention not to sign the new Agreement. London market sources yesterday viewed it basically as a ploy to secure an increase in the Agreement price ranges at the special Tin Council meeting to be held on May 4.

This was basically why London tin prices rose so sharply, with speculators anticipating a rise in the Agreement price "ceiling" in particular, thus removing selling pressure from the buffer stock, which has been keeping market values down in recent weeks. But some people feel that Bolivia may have more fundamental motives for threatening the whole future of the Agreement.

Producing countries were generally unhappy about the outcome of negotiations last year in which the terms of the new Agreement were decided. Several countries, notably Bolivia, felt that little advance had been made since producers were in a difficult situation at the time.

Demand for tin was at a low ebb and export controls were only limiting the build-up of surplus holdings in the buffer stock.

The situation has changed considerably in the past few weeks. The buffer stock is having to sell heavily to stop the "ceiling" price of the Agreement being breached, instead of having to buy up large quantities to defend the "floor" price, as was the case earlier in the year.

Tin prices jumped sharply on the London Metal Exchange yesterday, following news from Bolivia that it was refusing to sign the new Tin Agreement because the price ranges were too low. Cash tin closed £130 higher, at a near record level of £3,952.5 a tonne, but fell sharply in late kerb trading as a result of heavy selling, believed to be on behalf the buffer stock. Offerings were claimed to be as much as 700 tonnes. The three months' quotation, having reached a peak of £4,090 a tonne, fell to £4,020 on the late kerb.

Other metal prices also moved up, reflecting further nervousness about sterling. Copper cash wirebars closed £10.75 a tonne up, at £856, after fluctuating wildly throughout the day.

Copper stocks in LME warehouses rose by 3,300 tonnes to 537,525. Tin stocks increased by 585 tonnes, to 5,655, and zinc by 1,500 tonnes to 54,675. Lead stocks were unchanged at 83,560 tonnes and LME silver holdings rose by 7?0,000 ounces, to 15,750,000.

It also seems fairly definite that the demand for tin will improve as the expected revival in economic activity gathers pace. This will lead to a possible shortage of supplies next year, since production in most of the producing countries has been severely hit by losses, and the limitations set by export controls.

It may take some time before output can be expanded again and will certainly need the stimulus of higher prices.

Bolivia, for example, claims that its average production cost is the equivalent of over $M1,100 a picul — the present Tin Agreement "ceiling" price —so that it is producing now at a net loss.

There seems little doubt, therefore, that producing countries will press hard for an increase in the Agreement price ranges at next week's meeting, called mainly at the request of consumers seeking a relaxation, or the abolition, of export controls in force during the second quarter of the year up to June 30.

Producers feel that it would be better to reduce buffer stock holdings first, in view of the high cost involved in financing the surplus stocks. But export controls automatically expire on June 30 and will need the consent of consuming countries to be approved again.

By that time, however, the fate of the new Agreement may be known.

Until recently Bolivia, a high-cost producer, dependent on tin for virtually all its foreign exchange earnings, was naturally a staunch supporter of the price stability provided by the Tin Agreement. It would have been especially vulnerable to any free-for-all competitive battle with other producers.

At the same time, the U.S. exercised a strong influence over Bolivian actions as its main creditor and with the large surplus holdings of stockpiled tin as a constant threat to world tin market stability.

Times have changed, however, from the Bolivian point of view. Development of other commodity exports, notably oil and a number of other minerals, as well as sugar means that Bolivia is no longer as dependent on tin as in the past.

The U.S. strategic stockpile of tin has also been greatly reduced by sales in the past two years or so and there are distinct doubts as to whether any more can be sold safely without making the U.S.—which produces no tin domestically—unduly reliant on foreign suppliers.

Other producers, too, feel themselves in a stronger position to have more control over tin supplies and prices, bearing in mind that production is concentrated in relatively few developing countries.

Nevertheless it would be a grave disappointment if, in forcing a renegotiation of the new Agreement, the producers frightened the U.S. off joining after all.

The decision of the U.S. to join the tin pact for the first time was widely acclaimed as an important step forward in commodity trade relationships between developing and industrialised countries.

COMMODITY MARKET REPORTS AND PRICES

METALS

TIN—Record prices were attained in hectic trading following news that Bolivia may not sign the forthcoming fifth International Tin Agreement because prices fixed are claimed to be not high enough to meet production costs. Forward metal opened at £3,930 in front of the news and subsequently jumped to a record of £4,090 owing to stop-loss buying, currency fears and commission house demand. On the morning kerb, however, the price eased to £4,070 on selling, thought to be on behalf of the buffer stock manager. Values softened further in the afternoon ...

COCOA

Values advanced sharply during the opening on further new buying and stop-loss orders, thereafter remaining fully steady, reports Gill and Duffus.

COFFEE

SILVER

RUBBER

SOYABEAN MEAL

FREIGHTS

GRAINS

MEAT/VEGETABLES

SUGAR

JUTE

WOOL FUTURES

PRICE CHANGES

Prices per ton unless otherwise stated.

U.S. Markets

Limit gains in cocoa and coffee

NEW YORK, April 26.

STOCK EXCHANGE REPORT

Small technical rally awaiting positive news on wages

Index picks up 4.1 to 405.1 and Gilts steadier—Golds up

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 5	Apr. 14	Apr. 15	Apr. 28
Apr. 20	Apr. 29	Apr. 30	May 11
May 3	May 13	May 14	May 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Trading remained small in stock markets yesterday with the undertone still uneasy awaiting the outcome of the pay policy discussions between Ministers and TUC negotiators. Doubts about the efficacy of last Friday's 1½ per cent. hoist in Minimum Lending Rate in helping to stem the recent slide in the sterling exchange rate in the absence of an acceptable compromise on the next stage of the Government's wages strategy left little incentive for genuine investment activity. Renewed early weakness in the pound set a dull opening tone in both leading equities and British Funds, but South African Golds went better from the start on Dollar Premium influences and buying interest mainly emanating from Switzerland. Rises in gold shares were fairly substantial and the Gold Mines index jumped 16.7 to 190.7, making an uninterrupted rise of 39.5 over the last six trading days.

In the event, Gilts rallied to close well above the worst. Short-dated stocks were sometimes marginally better on balance while the longs finished with net losses of ¼, but were tending higher in the late trade. The Government Securities Index eased 0.02 to 60.81. Equities rallied on bear covering and the absence of selling to close with gains of three or four pence. After its two-day drop of 18.6, the F.T. 30-share index was a further three points off at 10 a.m., but gradually picked up to end at the day's best with a net rise of 4.1 at 405.1.

The low volume of business was reflected in official markings of 4,958 compared with 6,107 last Friday. There was no decided trend in secondary issues, but falls just had the edge, by 7-to-6, over rises in F.T.-quoted Industrials. On the other hand, the F.T.-Actuaries All-Share index closed a shade harder at 165.77.

Gilts steady late

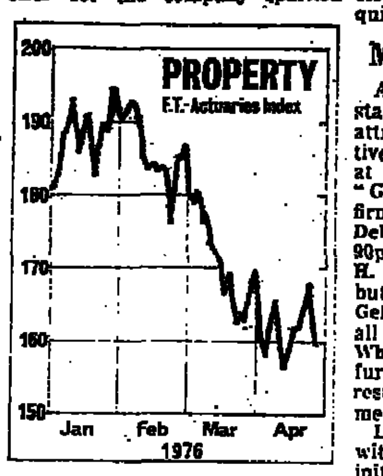
British Funds were initially handicapped by sterling's poor initial response to Friday's sharp rise in Minimum Lending Rate. Opening falls of ¼ were soon extended to ⅜ among high-coupon issues of longer maturity, while losses in the shorts ranged to ⅛. Gradually, however, the market began to regain its confidence encouraged by the later recovery in the pound and strengthening convictions that the Government and TUC would eventually agree on a new wage policy. The rally continued through to the close and by then the losses at the shorter end had been transformed into marginal gains: the low-coupon Treasury 3 per cent., 1977, made an exceptional rise of ⅜ to 93. Longer-dated stocks were the occasional ¼ lower, but picked up the falls in the after-hours' trading. Corporations adhered closely to the early trend in the main funds and lost a point more in places.

Sterling's early reaction generated a small demand for investment currency which, in a narrow market, forced the premium higher to 112⅞ per cent. before a close of 112¼ per cent., up 3⅞ points on the day. Yesterday's S.E. conversion factor was 0.6738 (0.6850).

ANZ easier

Little interest was shown in the big four Banks which rallied from early softness to close with small improvements. Midland fared best at 288p, up 4, while Lloyds hardened 3 to 228p. Overseas issues had a weak spot in Australia and New Zealand which lost 11 to 413p ahead of the interim results due to-morrow. Smith St. Aubyn featured Discounts, rising 5 to 65p on the good results. Allen Harvey and Ross, however, receded 10 to 370p on small offerings in a thin market.

A week-end Press suggestion that either Minet (unaltered at 130p) or Sedgwick Forbes (4 off at 265p) could be planning an offer for the company sparked off fresh speculative interest in Leslie and Godwin which improved steadily to close 7 better at 128p in Insurances.



Breweries displayed no set trend after a small trade. Allied edged forward a shade to 65p, while Greene King in ex-rights form were 5 dearer at 135p, with the new nil-paid shares closing at 27p premium. Arthur Guinness shed 2 to 121p.

John Laing "A" featured Buildings with a rise of 4 to 108p on the better-than-expected preliminary figures and the free scrip issue proposal. Bryant Holdings responded to the increased interim dividend and higher first half profits with an improvement of 2½ to 25½p, while small buying in a thin market raised Leaderflush 3½ to 15p. David Charles cheapened 2 to 13p ahead of the interim figures, while other dull spots included Phoenix Timber, 3 off at 73p, and Wettern Brothers, 4 easier at 70p.

After falling initially to 388p, ICI rallied to close 3 better on the day at 396p. Crystalate eased ½ to 10½p. Brent Chemicals were quoted ex the "rights" issue at 80½p, while the new nil-paid shares opened at 59p premium before closing at 57p premium after a quiet trade.

Marks and Sp. firm

Awaiting to-day's preliminary statement, Marks and Spencer attracted interest following relative weakness and closed 3 better at 93p after a fair turnover. "Gussies" "A" were finally 2 firmer at 202p, after 199p, and Debenhams finished 3 harder at 90p. Among secondary issues, H. Samuel "A" gave up 5 at 149p, but S. Casket, 42p, A. and J. Gelfer, 36p, and Lee Cooper, 65p, all closed around 4 cheaper. Ward White, a penny better at 19p on further consideration of the results, provided the only movement of note in Shoes.

Leading Electricals were quiet with prices tending to recoup initial minor losses. Narrowly mixed secondary issues had Petbow 3 firmer at 178p and James Scott 2 better at 18p. Following last Friday's recovery of 3 on the chairman's statement at the annual meeting, BSR ended a penny harder at 112p, after 109p. Jones Stroud slipped 3 to 60p.

Deriving benefit from a newspaper recommendation, Hawker rebounded in a relatively narrow market to close 10 higher at 452p. Other Engineering leaders were less spectacular although GKN rallied 6 to 335p and Tube Investments 4 to 374p. Vickers, also the subject of Press comment, rose 4 to 194p. The tendency otherwise was a shade easier with Peter Brotherhood down 3 to 93p and ML Holdings 4 lower at 77p. Hartle Machinery gave up 2 at 30p on the second-half setback and Weir were off 2 at 85p following the cautious tone of the chairman's statement. Hopkinsons, still reflecting the unexpectedly good second-half, rose 3 further to 70p and Simon closed 1 better at 136p, after 138p, on the increased profits. Week-end Press mention helped Gordon Johnson-Stephens, 31½p, Head Wrightson, 51½p, and Davy International, 188p, harden a penny or so.

Foods were making modest headway in the late trend. Fitch Lovell ended 2 better at 56p, while similar rises were seen in Associated Biscuit, 82p, and William Low, 72p. Spillers closed a fraction harder at 42p following Press comment, but Lockwoods at 66p, gave up 2 ahead of to-day's interim figures.

Hotels and Caterers closed with modest falls, Pontin's losing a penny at 24p on consideration of the interim statement.

Unilever improve

Miscellaneous Industrial leaders followed last Friday's setback with marginally lower opening levels, but subsequently picked up on "bear closing" to end with gains to 6 on the day. Unilever, stimulated by favourable Press comment, were that amount up at 468p, while Glaxo finished 5 firmer at 405p and Beecham 4 better at 354p, after 347p. Boots, 134p, and Bowater, 219p after 215p, closed 3 and 2 harder respectively, but Pilkington remained in dull mood, ending 5 cheaper at 325p. Elsewhere, Wm. Crowther continued to meet speculative support on bid hopes and rose 8 more to 110p in a limited market. Camrex improved 3 to 45p despite the lower profits, while Brooks Watson, in response to the return to profitability, hardened 2 to 29p. Electrical and Industrial Securities firmed a penny to 43½p on the profits advance and Talbex were fractionally firmer at 8p on the half-time results. Unerman improved 4 to 60p, but R. H. Cole, ahead of results due Friday, declined 3 to 45p. Lower profits left Reed Executive down 2 to 50p and Allied Polymer 3 easier at 67p. Bestobell cheapened 6 to 154p and Powell Duffryn 4 to 122p, while reactions of 3 were registered in Judge International, 23p, and Aaronson Bros., 48p. Helped by the rise in the investment premium, Broken Hill Proprietary improved 10 to 735p, while Rennies Consolidated, 150p, and Barlow Rand, 200p, gained 10 and 6 respectively.

Week-end Press comment drew buyers' attention to Teas. Warren were particularly favoured and after a good turnover, closed 4 up at a 1976 high of 93p.

Apart from Pride and Clarke, which were lowered 7 to 136p on small selling in a thin market, Motors and Distributors were idle and little changed. Zenith Carburetter "A" were a penny better at 45p following the chairman's statement, while Dunlop, 95p, and Abbey Panels, 30p, put on 2 apiece.

Morgan Grampian attracted occasional speculative interest and rose 3 to 83p, but annual results well above the halfway forecast made no impression on Marshall Cavendish, unaltered at 35p. Paper/Printings moved indeterminately, Brunning gaining 3 to 44p and John Waddington losing 2 to 92p.

English Prop. firm

News of the merger deal between the company's Trizec Canadian subsidiary and Edger aroused "after-hours" interest in English Property, which improved from a House close level of 41p to close 3 up on the day at 42½p, the 6¼ and 12 per cent. Convertible Loans recorded gains of about 4 points at £95 and £94 respectively. Other leading Properties, after picking up from a slightly easier start, edged further forward late in sympathy with EP. Land Securities, 164p, after 160p, and MEPC, 67p, after 62p, both finished 3 harder on balance, while British Land were finally a fraction better at 32½p, after 31p. Hammerson "A," aided by Press mention, recovered 5 to 325p ahead of Friday's annual results, while increased profits left Municipal Properties 3 firmer at 122p. Great Portland Estates ended 2 harder at 230p, after 226p.

Oils edged forward after midday and British Petroleum made a fresh peak of 652p prior to ending a net 5 up at 650p. Shell eased initially to 420p but closed 3 dearer on balance at 425p, while investment currency influences encouraged Royal Dutch which rose ½ to £38½. Newspaper mention coupled with the effects of a broker's circular helped Tricentrol improve 2 to 60p. In the overseas section, Pan Ocean advanced ½ to £14⅞ and Sunningdale put on 25 to 935p, but Associated Australian lost 5 more to 85p.

Overseas Traders closed a shade softer for choice but Agar Cross, helped by Press comment on Newman Industries' bid plan, improved 1½ to 17½p.

Down 3 last Friday on news of the bid approach from Arbuthnot Latham (unaltered at 180p), East and West Investment Trust rallied 2 to 52p. Border and Southern cheapened a penny to 225p in front of to-day's interim results. Among Financials, Abercorn General added 5 to 60p but S. Pearson gave up a penny to 136p; the latter's preliminary results are due on Thursday.

Shippings closed a shade firmer for choice after a quiet session. Reardon Smith rose 10 to 285p and the "A" improved a penny to 65p.

Courtaulds rallied from a dull start to close 2 up at 149p, after extremes of 150p and 146p. Awaiting further developments in the bid situation, William Reed edged up a penny to 36p, while Stirling Knitting found support at 16p, up 2. John Haggas, on the other hand, shed 5 to 310p in a thin market ahead of to-day's third-quarter figures. Losses of between 2 and 4 were recorded in Sekers International, 12p, Caird (Dundee), 24p, and Radley Fashions, 33p. The two Tobacco majors made modest headway in moderate trading: Bats put on 5 to 373p and Imps 2 to 76p, sentiment in the latter being helped by Press comment.

South African industrials made headway. Gold Fields Properties closing 5 better at 45p and Abercom Investments 8 higher at 205p.

Week-end Press comment drew buyers' attention to Teas. Warren were particularly favoured and, after a good turnover, closed 4 up at a 1976 high of 93p.

Demand for mines

Mining share markets advanced across a broad front reflecting currency uncertainties and the subsequent rise in the investment dollar premium.

South African Gold shares put on a sparkling performance, although the upward price movements were out of proportion to the amount of business which remained at a modest level. Shares opened firmer reflecting the strength of U.S. markets late on Friday. Prices were then boosted by substantial attempted buying of Golds from Swiss sources in a market acutely short of stock.

The Gold Mines index recorded its biggest one-day [rise since] May 22, 1975, putting [on 16.7 to] 190.7, while bullion [was …] cents up at $128 per oz. [Among the] heavyweights, gains in Free State Geduld, President Brand … In the lower-priced … Driefontein and … were both 100 higher … 880p respectively.

Financials mirrored … American … of the annual report … put on 11 to 189p … Trust rose 15 to 375p … advanced 15 to 341p … report and chairman … are due to be publishe[d] …

Coppers were firm [on] the continued … metal price. Palab[ora] … higher at 870p. … sharply higher … Potgietersrust being … Tins were quietly firm.

Australians moved i[n] the mixed trend in … bourne markets … closed for ANZAC D[ay] … Copper put on 3 to 25 … consideration of its … New South Wales … pect.

Elsewhere, Murchis[on] … to a 1976 high of 92 … favourable Press com[ment] …

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon. Apr. 26, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Friday April 23 Index No.	Thurs. April 22 Index No.	Wed. April 21 Index No.	Tuesday April 20 Index No.	Year ago (approx) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	154.30	−0.2	14.75	5.67	10.23	10.14	154.63	157.04	160.06	158.43	119.59	160.06 (21/4)	143.65 (2/1)	206.37 (4/6/72)	50.71 (13/12/74)
2	Building Materials (30)	141.84	−0.5	12.62	6.31	12.00	11.99	142.52	145.53	147.94	146.25	108.20	150.16 (15/1)	138.49 (20/2)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	224.59	+0.7	15.94	4.68	9.75	9.75	223.08	228.52	229.22	227.41	227.34	260.20 (16/1)	222.65 (13/4)	389.35 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	269.91	−0.8	15.16	4.59	9.73	9.46	271.96	276.71	287.30	283.72	210.44	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	182.96	−0.2	20.77	6.28	7.65	7.65	183.29	185.38	188.40	186.97	148.83	188.40 (21/4)	163.90 (6/1)	202.57 (6/6/75)	94.43 (1/2/76)
6	Engineering (General) (63)	144.03	+0.1	15.00	6.07	9.91	9.91	143.96	145.46	147.67	146.63	103.01	147.75 (7/4)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	57.73	−0.1	14.62	6.51	12.52	12.32	57.78	57.79	58.77	58.65	45.38	60.17 (26/3)	51.19 (5/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	137.19	—	13.90	6.07	11.29	11.02	137.24	139.47	140.14	137.66	108.20	140.14 (21/4)	121.53 (2/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	135.43	−0.3	15.15	4.79	9.85	9.84	135.86	138.95	141.46	139.87	85.99	141.46 (21/4)	121.87 (2/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	151.71	−0.6	13.10	3.55	11.21	11.19	152.65	157.16	159.49	157.78	95.05	160.35 (7/4)	139.18 (2/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (13)	180.83	−0.5	19.10	6.34	7.80	7.79	181.83	185.47	186.02	184.29	136.65	187.22 (7/4)	163.38 (2/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	81.79	+0.3	17.03	6.28	8.96	8.96	81.54	82.55	85.01	83.92	48.72	85.05 (15/3)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	150.98	+0.2	14.31	5.93	10.51	10.43	150.71	154.00	156.29	154.39	132.40	162.24 (4/2)	148.09 (12/4)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	154.98	−0.2	14.35	6.96	10.32	10.32	155.23	157.50	160.81	157.40	143.59	179.43 (2/2)	150.25 (12/4)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	178.23	—	10.55	5.68	14.38	14.38	178.28	178.82	180.46	178.12	156.08	185.89 (15/3)	173.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (14)	182.78	−0.4	13.13	7.21	11.72	11.63	183.46	188.62	194.22	190.19	137.32	211.26 (8/3)	182.26 (2/4)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	171.33	+0.3	14.93	5.04	10.19	10.13	170.88	174.62	175.05	173.07	142.05	175.05 (21/4)	162.69 (20/2)	211.65 (1/5/72)	59.78 (11/12/74)
18	Food Retailing (16)	135.85	—	12.14	5.14	11.98	11.98	135.86	140.07	142.01	139.57	135.44	150.05 (12/1)	135.51 (2/4)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	171.61	−0.1	12.99	5.98	11.55	11.55	171.86	175.41	176.68	175.96	137.41	184.34 (11/3)	163.47 (2/1)	250.89 (15/1/72)	55.08 (6/1/75)
20	Packaging and Paper (12)	107.77	−0.9	19.45	7.26	7.85	7.84	108.75	110.71	110.00	109.46	94.70	112.50 (26/2)	104.18 (2/4)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	123.23	+0.1	12.21	5.51	12.62	12.60	123.06	125.99	128.44	127.43	122.95	136.24 (2/2)	121.50 (12/4)	204.59 (18/8/72)	52.63 (6/1/75)
22	Textiles (23)	165.00	+0.1	15.37	6.72	9.87	9.24	164.78	169.31	173.29	172.49	123.32	183.19 (30/1)	163.16 (12/4)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	224.04	+1.1	19.46	6.55	7.84	7.84	221.54	226.35	230.10	226.66	176.39	236.22 (5/2)	211.56 (5/5)	359.16 (2/3/72)	94.34 (13/6/62)
24	Toys and Games (6)	72.70	−0.2	18.76	5.11	7.43	7.43	72.84	73.75	74.14	73.73	41.50	74.14 (21/4)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	222.95	−0.1	11.62	4.34	12.28	12.28	222.66	224.80	229.99	228.74	154.67	229.99 (21/4)	199.45 (6/1)	229.99 (21/4/76)	71.20 (1/12/74)
26	Office Equipment (9)	96.56	−0.6	13.33	5.35	11.42	11.42	97.12	98.31	99.82	98.16	94.28	99.82 (21/4)	85.09 (2/1)	246.05 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	375.10	−0.4	19.17	6.85	6.68	6.42	373.47	380.28	383.06	376.87	356.04	432.64 (30/1)	356.52 (19/3)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	168.09	+0.1	13.85	6.34	10.64	10.63	167.87	170.79	172.98	170.37	137.90	172.98 (21/4)	156.79 (2/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	158.82	—	14.10	5.60	10.83	10.46	158.77	161.62	164.37	162.56	128.50	164.37 (21/4)	152.00 (2/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	370.81	+0.7	11.65	4.43	10.01	9.26	368.05	368.12	369.02	366.63	247.52	370.81 (26/4)	351.34 (16/2)	431.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	176.33	+0.1	13.70	5.42	10.46	10.25	176.07	178.74	181.37	179.50	138.80	181.37 (21/4)	167.51 (2/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	135.07	−0.1	—	5.42	—	—	135.25	138.95	142.11	140.21	138.43	153.46 (30/1)	132.75 (12/4)	241.41 (11/4/72)	58.88 (13/12/74)
33	Banks (6)	162.63	−1.0	18.81	5.21	8.18	8.18	161.09	165.78	170.81	168.79	160.92	192.16 (29/1)	152.93 (19/3)	286.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	155.99	−0.2	—	7.66	—	—	156.24	156.39	165.76	165.76	154.60	186.52 (13/1)	152.20 (1/4)	293.13 (3/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	111.84	−0.8	—	5.64	—	—	112.71	118.32	122.24	120.60	119.17	132.10 (26/2)	104.50 (2/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	116.73	−1.3	—	8.11	—	—	118.23	122.64	125.23	123.68	116.81	129.46 (30/1)	116.73 (26/4)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	108.50	−1.0	—	6.47	—	—	109.64	112.76	114.95	113.31	107.19	119.75 (30/1)	108.32 (5/1)	156.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	250.52	+0.6	8.55	4.19	17.31	17.31	249.10	250.98	251.19	247.46	183.32	251.19 (21/4)	218.26 (5/1)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	81.71	−0.2	—	6.76	—	—	81.86	83.13	83.48	81.86	87.67	93.83 (27/1)	77.94 (9/4)	278.87 (1/5/72)	31.21 (7/1/75)
40	Property (31)	159.75	—	3.16	3.09	56.86	56.76	159.70	164.18	168.83	166.73	223.06	194.57 (30/1)	155.65 (12/4)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	80.01	+0.7	16.34	7.02	9.58	9.58	79.47	80.67	80.85	79.01	71.46	91.98 (3/2)	78.10 (2/4)	303.13 (18/5/72)	55.29 (17/12/74)
42	Investment Trusts (50)	163.68	−0.1	3.17	4.44	32.92	32.90	163.77	165.88	165.59	161.69	165.71	184.65 (30/1)	155.54 (2/4)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	165.77	+0.1	—	5.36	—	—	165.63	168.47	171.05	169.07	139.13	172.64 (30/1)	160.52 (2/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	493.40	+0.6	12.07	6.86	12.48	12.31	490.53	487.10	487.72	468.14	480.72	493.40 (26/4)	404.67 (14/1)	555.37 (23/7/73)	84.68 (26/8/65)
45	Teas (8)	138.49	+2.1	30.42	8.55	4.46	4.31	135.70	135.90	131.68	128.22	88.63	138.49 (26/4)	117.89 (7/1)	138.49 (26/4/76)	59.72 (17/10/74)
46	Coppers (3)	248.18	+8.5	39.82	6.92	2.51	2.51	228.75	238.55	225.44	218.38	452.31	301.47 (7/1)	178.95 (6/4)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	111.48	+2.8	10.46	4.44	10.83	10.83	108.42	109.48	107.48	102.95	121.75	119.77 (7/1)	86.18 (3/3)	176.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	105.31	−0.2	11.61	8.38	12.65	11.99	105.50	105.79	105.63	104.89	98.21	106.31 (15/4)	86.09 (9/2)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	244.35	−0.5	13.71	4.22	9.56	9.55	245.70	249.08	249.43	246.48	222.15	249.43 (21/4)	229.56 (2/1)	252.25 (30/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Monday April 26 Index No.	Monday April 26 Yield %	Friday April 23	Thurs. April 22	Wed. April 21	Tues. April 20	Thurs. April 15	Wed. April 14	Tuesday April 13	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.21	14.19	13.99	13.60	13.60	13.66	13.85	14.04	15.42	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.61	13.37	48.71	49.47	50.95	51.12	50.75	50.24	49.62	46.03	53.45 (30/1)	47.56 (2/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	49.38	14.95	49.43	50.31	50.32	50.12	49.68	49.58	49.47	47.02	51.46 (4/2)	46.68 (2/1)	113.43 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	47.26	14.64	47.49	47.90	47.90	47.67	47.85	47.85	47.85	43.40	51.23 (18/2)	46.50 (2/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	64.62	14.78	65.01	65.65	65.81	65.71	65.61	65.38	15.55	60.51	71.97 (2/2)	62.76 (2/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.75	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	142.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 20p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BP	£1	13	650	+5	650	575
ICI	£1	13	396	+3	411	334
Cons. Gold Fields	25p	11	186	+11	220	146
Lucas Inds.	£1	11	216	—	234	185
BICC 'New'	Nil/pd.	9	19*	−1	28*	16*
RTZ	25p	9	231	+2	239	178
Bats	25p	8	373	+5	378	342
Distillers	50p	8	146	+½	152	142
GEC	25p	8	157	+1	168	142
Hawker Siddeley	£1	8	452	+10	454	354
Natl. Westminster	£1	8	236	+2	290	228
BOC Intl.	25p	7	61	—	65½	56½
Dunlop	50p	7	95	+2	98	69
Beecham	25p	6	354	+4	372	339
Boots	25p	6	134	+3	148	126

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 28	May 10	July 22	Aug. 3
May 11	May 24	Aug. 5	Aug. 17
May 25	Jun. 8	Aug. 19	Sep. 1

"Calls" were dealt in Courtaulds, Grand Metropolitan, Silvermines, Trust Houses Forte, Norwest Holst, Capital and Counties 7½ per cent. Debenture Rio Tinto-Zinc and English Property. No "puts" were reported, but a "double" was arranged in British Land.

Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BOC Int.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lofs."	4	Brit. Land	4½	Hampton Areas	12
Cadburys	6	"Mams"	6	Cap Counties	3½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	E.P.	8	Kloof	100
Debenhams	8	Midland Bank	22	Int. Europ	7	Lonrho	12
Distillers	13	Nat'l West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	8½	MEPC	10	Poseidon	58
Eagle Star	13	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3¼	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l.	23	Oils		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 10½ per cent. (since April 23, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a large amount of Treasury bills and Corporation bills from the discount houses. Banks carried forward surplus balances, but this was outweighed by a net market take up of Treasury bills, revenue payments to the Exchequer which exceeded Government disbursements, repayment of Friday's market advances, and an increase in the note circulation.

Discount houses paid 9-9¾ per cent. for secured call loans in the early part, and closing balances were found at 8-9 per cent.

In the interbank market overnight loans opened at 9½-9¾ per cent. and touched 9¼-9½ per cent. before closing at 7½-8 per cent.

Short-term fixed period interest rates were generally firmer. The three-month sterling certificate yield increased to 10⅛-10¼ per cent. from 10½-10¼ per cent.

Rates in the table below are nominal in some cases.

April 26 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills	Bank bills	Fine trade bills
Overnight	—	7½-9¾	—	—	—	—	8-9¾	—	—	—
2 days notice	—	—	9½-9¾	—	—	—	—	—	—	—
†7 days or 7 days notice	—	9¼-9¾	9⅝-9⅞	—	—	—	9⅜-9½	—	—	—
One month	10-9¾	9¾-10⅛	9¾-10	11-10½	9½-10¼	—	9¼-9½	9¾	[illegible]	[illegible]
Two months	10¼-10	9⅞-10¼	—	11-10½	10-10½	—	9⅝-9½	9[…]	[illegible]	[illegible]
Three months	10⅝-10⅛	10⅛-10⅜	10⅛-10¼	11-10½	10¼-10¼	—	9½-9¾	10[…]	[illegible]	[illegible]
Six months	10⅞-10½	10⅜-10¾	10¼-10⅝	11-10½	10½-11	—	—	—	[illegible]	[illegible]
Nine months	10⅞-10⅞	10⅝-11	—	12-11	11¼-11	—	—	—	—	—
One year	11⅛-10⅞	10¾-11¼	11¼-11½	12½-11½	11¼-12	—	—	—	—	—
Two years	—	—	12¼-12½	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 13¼-13¾ per cent.; four years 13¼-13¾ per cent.; five years 13¾-13¾ per cent. ● Bank bill rates in table are buying rates for prime paper: buying rates for four-month bank bills 10⅞-10¾ per cent.; four-month trade bills 11 per cent. Approximate selling rate for one-month Treasury bills 9¹⁵⁄₁₆-9²³⁄₃₂ per cent.; two-month 9¾ per cent.; and three months 9¹⁵⁄₁₆ per cent. Approximate selling rate for one-month bank bills 9¹⁵⁄₁₆-9⅞ per cent.; two-month 10 per cent.; and three month 10¹⁄₁₆ per cent.; for one-month trade bills 10⅞-10¾ per cent.; two month 10¾-10⅞ per cent.; and three-month 10¾-11 per cent.

Finance House Base Rates (published by the Finance Houses Association): 9 per cent. from April 1, 1976. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.8672 per cent.

FINANCIAL TIMES STOCK INDIC[ES]

	April 26	April 23	April 22	April 21	April 20	April 16
Government Secs.	60.81	60.83	61.46	63.24	63.30	63.[…]
Fixed Interest	60.16	60.44	61.97	62.39	62.30	62.[…]
Industrial Ordinary	405.1	401.0	405.2	419.6	414.8	40[…]
Gold Mines	190.7	174.0	170.9	189.5	186.4	18[…]
Ord. Div. Yield %	5.19	5.25	5.19	4.97	5.02	5.[…]
Earnings Y'ld % (full) (a)	15.29	15.45	15.12	14.68	14.82	15.[…]
P/E Ratio (net) (a) (b)	9.62	9.52	9.71	10.00	9.91	[illegible]
Dealings marked	4,958	6,107	5,995	5,830	5,553	4,[…]
Equity turnover £m	—	57.29	76.15	67.26	64.71	58[…]
Equity bargains total	—	13,518	16,744	16,772	14,507	15,[…]

10 a.m. 398.8. 11 a.m. 400.5. Noon 402.6. 1 p.m. 402.7. 2 p.m. 403.1. 3 p.m. 404.4.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.55. Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/[…] Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.73 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	419.6 (21/4/76)	391.6 (5/1/76)	543.6 (13/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (6/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACT[IVITY]

Daily— Gilt-Edged … Industrials … Speculative … Totals … 5-day Av'rge Gilt-Edged … Industrials … Speculative … Totals …

NEW HIGHS AND LOWS FOR 1976

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (53)

AMERICANS (5)

Carborundum, Shell Oil, Texaco, Cielcorp, Owens-Illinois …

NEW LOWS (64)

RISES AND … YESTERD[AY]

British Funds … Corpns. Dom. and Foreign Bonds … Industrials … Financial and Prop. … Oils … Plantation … Mines … Recent Issues … Totals …

BASE LEN[DING] RATE[S]

Allied Irish Bank, American Express, Anglo-Portuguese, Henry Ansbacher, Banco de Bilbao, Banco de Jerez, Bank of Cyprus, Bank of N.S.W., Banque du Rhone, Barclays Bank, Barnett, Christie L[td.], Bremar Holdings, Brit. Bank of Mid[dle East], Brown Shipley, Canada Permanent, Cayzer, Bowater C[o.], Cedar Holdings, Charterhouse Japhet, C. E. Coates, Consolidated Credits, Co-operative Bank, Corinthian Securities, Credit Lyonnais, G. R. Dawes, Duboff Brothers, Duncan Lawrie, English Transcont., First London Secs., Antony Gibbs, Goode Durrant Tr[ust], Greyhound Guaranty, Grindlays Bank, Guinness Mahon, Hambros Bank, Hawtin & Partners, Hill Samuel, C. Hoare & Co., Julian S. Hodge, Hongkong & Shanghai, Industrial Bank of [Scotland], Keyser Ullmann, Knowsley & Co. L[td.], Lloyds Bank, London & European, London Mercantile, Midland Bank, Samuel Montagu, Morgan Grenfell, National Westminster, Northern Commercial, Norwich General, Portman Guarantee, P. S. Refson & Co., Rossminster Acc[eptances], Schlesinger Limited, E. S. Schwab, Security Trust Co., Shenley Trust, Standard Chartered, Trade Development, Twentieth Century, United Bank of Kuwait, Whiteaway Laidlaw, Williams & Glyn's, Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits …
† 7-day deposits on sums of …
‡ Call deposits over £1,000 …

CORAL IND[EX]: Close 403-[…]

I.G. INDE[X]: GOLD 126[…]

INSURANCE BASE RATES
† Atlantic Assurance … Cannon Assurance … † Address shown under … Property Bond table.

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC1. 01-600 9461

G.T. Cap. Inc.	59.9	63.7	.....	2.80
Do. Acc.	68.7	73.1	.....	2.80
G.T. Inc. Fd. Un.	104.6	111.2	.....	8.80
G.T. U.S. & Gen.	130.1	139.4	.....	1.60
G.T. Japan & Gen.	197.5	210.1	.....	0.70
♦Gt. Pens.Ex.Fd.	111.4	116.9	.....	2.20

G. & A. Tst. (a) (G)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	25.8	27.6	.....	5.21

REGIONAL MARKETS

...share prices previously shown under regional headings is ... quotations on London. Irish issues, most of which are not ... ndon, are shown separately and with prices as on the Irish ...

Graig Ship. £1	315	.....	Shiloh Spinn.	25	.....
Hallam Sleigh 10p	8	.....	Sindall (Wm.)	58	.....
Higsons Brew.	100	.....	**IRISH**		
I.O.M. Stm. £1	130	.....			
Holt (Jos.) 25p	230	.....	Alliance Gas (£1)	72	.....
Kleen-e-Ze	21	+2	Carroll (P. J.)	126	.....
Lovell's Ship £1	80	.....	Clondalkin	58	.....
N'thn. Goldsmith	96	.....	Concrete Prods.	55	—40
P.M.A.	47	.....	Goodbody (£1)	25	.....
Pearce (C. H.)	80	.....	Helton (Hldgs.)	29	.....
Peel Mills	13	.....	Irish Distillers	95	—2
RobbCaledonSh.	43	—1	Irish Wire	40	.....
Sayers 12½p	14	.....	Jacob	62	.....
Sheffield Brick	87	.....	Sunbeam	13½	.....
Sheff. Refrshmt.	140	.....	Unidare	70	.....

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47¾% (based on $1.8135 per £)

Conversion factor 0.6735 (0.6850)

CANADIANS

[illegible]

S.E. List Premium 47¾% (based on $1.7853 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا اصل الأصل

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	350	Blyvoor 25	570	+60	‡Q100c	1.3	‡
£14	785	Buffels R1	£10	+½	Q130c	1.4	10.7
198	95	Deelkraal R0.20	140	+5	—	—	—
760	330	Doornfontein R1	460	+25	‡Q118c	1.4	‡
965	640	East Drie R1	860	−100	Q75c	1.7	5.2
280	160	Elandsrd Gld Mng 20c	200	+5	—	—	
190	115	Elsburg R1	150	+10	Q31.8c	2.0	13.4
£16½	£11¼	Hartebeest R1	£14½	+1½	Q215c	1.4	8.8
695	430	Kloof Gold R1	555	+70	Q55c	1.4	5.9
760	400	Libanon R1	530	+50	‡Q110c	1.9	‡
740	335	Southvaal 50c	500	+45	Q8c	2.3	1.0
245	140	Stilfontein 50c	195	+9	Q36c	2.2	7.9
£20½	£10¾	Vaal Reefs 50c	£14½	+¾	Q175c	2.1	6.3
420	190	Ventersp'st R1	250	+25	‡Q70c	1.9	‡
£35	£19¾	W. Drie R1	£24	+1¼	‡Q485c	1.2	‡
315	165	W'st'rn Areas R1	240	+20	Q52c	1.4	12.8
£15¾	775	Western Deep R2	£11¼	+1¼	Q147½c	1.6	4.1
290	190	Zandpan R1	240	+12	Q35½c	1.0	9.8

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Fr. State Dev 50c	135	+20	Q14c	1.6	6.1
£22½	£12	F.S. Geduld 50c	£16¼	+2¼	‡Q330c	1.3	‡
128	57	F.S. Saaiplaas R1	128	+10	26c	0	2.8
465	295	Harmony 50c	435	+35	Q65c	ϕ	8.9
195	70	Loraine R1	127	+15	Q5c	0.5	2.8
£18½	950	Pres. Brand 50c	£13¾	+2	‡Q250c	1.3	‡
£13	700	Pres. Steyn 50c	860	+100	‡Q125c	2.2	‡
£23	£12	St. Helena R1	£16½	+1	‡Q250c	1.2	‡
174	86	Unisel	140	+25	—	—	—
330	220	Welkom 50c	320	+35	‡Q55c	2.7	‡
£25½	£14	W. Holdings 50c	£20	+1¼	‡Q475c	1.2	‡

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
[illegible]							
335	170	Messina R0.50	260	+15	Q35c	1.9	8.0

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mine 17½p	9	—	m0.5	—	1.5
39½	23	Charterhall 5p	24½	−½	—	—	—
925	580	Cons. Murch. 10c	925	+60	Q80c	1.8	5.1
40	28	Lauresia	34	+2	—	—	—
455	295	Northgate C$1	365	+5	Q25c	0.3	3.6
239	178	R.T.Z.	231	+2	5.42	ϕ	3.7
112	85	Sabina Inds. C$1	90	+3	—	—	—
£11¹¹⁄₁₆	£10	Tara Exptn. $1	£11¹¹⁄₁₆	+⅛	—	—	—
122	88	Yukon Cons. C$1	120	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 31

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Tuesday April 27 1976

Farm Ministers to meet on CAP

BY ROBIN REEVES

BRUSSELS, April 26.

THE RISING cost of the EEC's Common Agricultural Policy, caused by the falling value of sterling and the Italian lira, is to be the subject of an emergency council of Common Market Agricultural Ministers in Luxembourg on Thursday.

The meeting was confirmed here to-day as the Brussels Commission intensified preparation of a package of measures aimed at reducing some of the adverse impact of the currency situation on the common farm budget.

As things stand, the CAP promises to exceed its original 1976 budget of 5.1bn. units of account (about £3bn.) by as much as 25 per cent. This is because the policy tries to maintain a unified market in EEC farm products by using border taxes and subsidies to bridge the gap between fluctuating exchange rates.

With sterling's decline, many U.K. food imports are being subsidised from the EEC farm budget to the tune of more than 20 per cent. For Italy, the rate of subsidy is even higher.

EEC sources here firmly rule out the possibility that the Commission's package will include a proposal to devalue the green pound, the artificial unit used for calculating EEC farm prices in the U.K. Devaluation would have the effect of raising EEC common farm prices as expressed in sterling and cutting EEC food import subsidies, thereby saving a considerable sum.

Delicate

Nevertheless, following the visit to London by Mr. Pierre Lardinois, the Agricultural Commissioner, it is accepted in Brussels that such a move—which would raise food prices—is politically unacceptable when the U.K. Government is engaged in delicate pay policy negotiations.

Italy, on the other hand, has already said it is prepared to countenance a devaluation of the green lira and there are indications that the Commission will propose a devaluation of as much as 9 per cent.

Together with a series of technical adjustments, M. Lardinois is evidently looking to save upwards of 200m. units of account as a result of the farm ministers' decisions.

But although this is a substantial sum, it still does not offer enough to enable the Commission to avoid the political embarrassment of asking for a supplementary budget later in the year.

Head of news group retires

SIR JOHN Burgess, aged 59, is stepping down as chairman of Cumbrian Newspapers, Carlisle. He is to be succeeded as group head by Mr. John Maxwell, present joint managing director, who becomes chief executive, leaving the chairmanship vacant.

The changes include a change of editorship for the Cumberland News. Mr. Lyn Elliott, the editor, is to retire.

Wales sales bid

The Development Corporation for Wales is to start its 1976 Continental promotional campaign at the Hanover Fair, W. Germany, next week in a bid to attract industrial investment.

Continued from Page 1

Pay talks

food subsidies, more control over the banking industry, pegging of top salaries and the introduction of a wealth tax.

The key items picked out by the liaison committee coincide with those that the TUC leaders want Government commitments on so that they can "sweeten" a special congress to help sell a further period of wage restraint.

The TUC's continuing anxiety over sterling was expressed by Mr. Murray who advised "anybody abroad" to have no fears, because the Government and the TUC were going to reach agreement. His advice was: "Buy pounds—because the pound is going to appreciate in value. I wished I could afford to buy some myself."

Mr. Jones, architect of the £6 policy, pledged last night that the Government and the unions would work out a policy which would stick and that the two sides were "not far apart."

Addressing a Freight Transport Association dinner he said that the Government and the unions were agreed on the objective of halving inflation and the battle was being won. Exports were up, industrial difficulties less and international finance would catch up with a spirit of confidence and the pound would "zoom upwards."

But Mr. Jones also gave a stern warning that without a revival of the Dunkirk spirit to combat inflation the U.K. could price itself out of world markets and into a situation of massive unemployment. A policy of buying British and exporting more could substantially reduce unemployment levels, he said.

Mr. Denis Healey, Chancellor of the Exchequer, with Mr. Gordon Richardson, Governor of the Bank of England, at Heathrow yesterday before leaving for Luxembourg to attend a meeting of EEC Finance Ministers.

Largest U.S. deficit for more than year

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, April 26.

THE LARGEST monthly American trade deficit in more than a year and a sharp increase in orders for machine tools to-day provided yet more evidence of the growing strength of the U.S. economy.

The March trade deficit of $650m. brings the cumulative deficit for the first quarter to $864m. In this period, exports have been running at a seasonally adjusted annual rate of $107.4bn., up only 0.2 per cent. on the total for last year, while imports, at a rate of $110.9bn., are 15 per cent. above the 1975 returns.

Last year, the U.S. enjoyed a trade surplus of $11bn. as a result of the recession. Projected annually, the first three months imply a deficit for this year of close to $3.5bn., though this is unlikely to happen as world economic conditions improve and American exports profit in consequence.

March saw a sharp increase in the value of oil imports to $2.6bn., on an unadjusted basis, from the $2.1bn. of February. In the first quarter, oil imports of $7.4bn. were $1bn. up on the comparable quarter of last year.

While this reflects the increased energy requirements of American industry, the trade figures generally show a broadly based growth in imports of consumer products, only some of which (such as coffee) rose in dollar terms because of special price factors.

Machine tool orders in March rose by 13 per cent. over the previous month to a total of $163.9m., more than double the recession levels of a year ago. According to the trade association which monitors these figures, the recovery was broadly based and was not influenced by large individual orders.

Administration economists believe that orders for new and used machine tools are one of the early signs that American industry has started to invest in industrial equipment again, rather than simply using up spare capacity.

The process is clearly still in its early stages since the March order figures, while the highest since July, 1974, only amount to two-thirds of the industry's normal shiping-rate capacity. But since the Administration expects that capital investment will not pick up a full head of steam until later this year or next year, and thereby ensure that economic expansion is sustained beyond the end of 1977, it is sufficient for the moment to have evidence that events have begun moving in the right direction.

Plessey discusses take-over of U.S. electronics concern

BY MARGARET REID

PRELIMINARY talks are being held which could lead to Plessey, the electronics and telecommunications group, taking over or otherwise linking with EDO Corporation, a U.S. electronics concern.

EDO, whose sales last year were $54m. (£30m.), compared with Plessey's turnover of £344m. in the nine months to December 31, produces sonar and other instrumentation equipment for aviation and marine use. About half its output is thought to be for defence purposes.

Plessey officials in London and North America said last night that discussions were at a very early stage indeed. An announcement in New York that they were taking place was prompted by an upturn in the share price of EDO, which is traded on the American Stock Exchange, to $10¼ yesterday from $9 on Friday after a rise of $½ that day.

Previously this year, the shares of EDO, which earned $1.1m. (£605,000) of net profit last year, have held in a narrow range between $9⅜ and $7⅛.

At last night's closing price, EDO has a stock market value of about $10.25m., though its net asset value is considerably higher, at $16.3m., on the basis of a net worth of $16.34 a share.

In view of Plessey's very much greater size, it is clear that if a get-together were to take place with EDO the British group would be the acquiring company.

What has interested Plessey is that EDO could fit in with its own U.S. offshoot, Plessey North American Corporation and the latter's subsidiary, Plessey Inc. (formerly Alloys Unlimited).

Only majority rule can stop guerilla war, says Nyerere

BY OUR OWN CORRESPONDENT

DAR-es-SALAAM, April 26

PRESIDENT NYERERE of Tanzania made it clear to-day that only the clear prospect of Black majority rule in Rhodesia could end the guerilla war which has recently intensified there.

He told a Press conference here: "The war has started. It can't be avoided. The only thing that can stop the war is majority rule... anyone who now says there is the possibility of achieving majority rule in Rhodesia peacefully is talking about something that is not there."

President Nyerere was talking after two meetings here with Dr. Henry Kissinger, U.S. Secretary of State, who later left for Lusaka.

Dr. Kissinger said: "We attached great importance to this stop on my African tour. I found my conversations with President Nyerere among the most instructive I have had with any leader and I consider the results extremely constructive."

When journalists asked President Nyerere to be specific about what the U.S. should do in Southern Africa, he said the U.S. should apply united sanctions fully and stop its considerable imports of Rhodesian chrome.

The guerillas, he added, had not chosen to fight for its own sake but to put pressure on Mr. Smith to see sense. If Mr. Smith did become "serious" then the conditions for resewed negotiations might be created.

The guerilla command, which now forms a so-called "third force" would have to be included in any further negotiations as well as the two warring factions of the African National Council.

Dr. Kissinger, who has made attempts to improve the tarnished U.S. image in this country, has repeatedly stated here that the two nations can co-operate on their many common international goals despite differing domestic systems.

He said before leaving for Lusaka that he had assured President Nyerere of the U.S. commitment to majority rule, and a programme to achieve this would be announced during his Zambia trip.

President Nyerere had called for understanding of Africa's views on the problem of liberation. "We want the U.S. to be big enough to realise we are not fighting for the Cubans or the Russians or the Chinese. We are fighting for Africa."

Ebbw Vale tinplate production threatened as strike resumes

BY DAVID CHURCHILL, LABOUR STAFF

PRODUCTION of tinplate at the British Steel Corporation's plant at Ebbw Vale, South Wales, is again in jeopardy following the decision yesterday by 900 skilled maintenance workers to resume their strike over a pay dispute.

The 900 workers decided last Saturday to return to work after their five-day old strike halted production losing about 10,000 tons of tinplate.

BSC warned last night that if the strike continued it would be forced to stop all production, about 50,000 tons of tinplate and galvanised steel a week, and lay off nearly 6,000 other workers at the plant.

This would reduce U.K. tinplate production by a third, hitting Britain's canning industry and especially the largest U.K. canner, the Metal Box Company.

The walk-out by the 900 workers, including fitters and toolmakers responsible for maintaining machinery at the plant, came after a breakdown in talks yesterday morning between local BSC management and shop stewards from the Amalgamated Union of Engineering Workers.

These talks centred on payment to 12 workers who had refused to work a shift on Easter Monday without supervision. When management told the 12 men they would not be paid despite turning up for work, some 900 other AUEW members walked out, bringing production to a standstill by last Friday.

On Friday night, talks between management, stewards and Mr. Albert John, AUEW district secretary, produced a return to work formula which the strikers accepted by the narrow margin of 17 votes on Saturday morning.

Mr. John said last night that he had been assured by BSC management that if the men returned to work, BSC would pay the 12 men for the Easter Monday shift.

But at yesterday's meeting Mr. John said that only 80 per cent. of the shift payment was offered by BSC. "This put me in a humiliating position because I had staked my reputation on the company honouring our verbal agreement on Friday night and had persuaded our members to accept this," he said.

The South Wales strikers claim that a target of £3,400 reduction in costs a week has been exceeded by as much as treble that amount in recent weeks. The AUEW has put forward its own proposals to the local BSC management for a return to normal patterns of work.

BSC plans to break even, says Varley, Page13

End of cut-price petrol schemes

By Ray Dafter, Energy Correspondent

MANY MOTORISTS will face higher fuel bills from the end of this week as major oil companies end their support of cut-price petrol. On top of this, another round of petrol price rises is likely within the next few months.

Shell said yesterday that its dealer price support scheme would end on Friday and Esso is almost certain to follow suit.

The action may well prompt British Petroleum to change its mind and return to schedule pricing. BP, the third of the "big three" in the U.K. petrol market, has already told dealers that its support scheme is being extended for a further month although this undertaking can be revoked on three days' notice.

Inadequate returns and pressure from the falling value of the pound are the main reasons behind the ending of the discount support schemes. They will also be the main factors behind a new round of petrol price rise applications expected this summer.

Since oil companies last applied for petrol price increases in November, they have had to face a £270m. a year increase on their crude oil import bill of about £3bn. a year purely because of the falling value of the pound. A fall of one cent adds an extra £15m. a year to the sterling cost of crude imports.

Influence

Devaluation of sterling was the major influence behind the last fuel price rises in December. The fall of the pound against the dollar between December 1974 and September last year accounted for 2p of the 4.5p per gallon across-the-barrel increase.

Petrol prices rose by about 3.5p a gallon but this increase was lost in the wave of price-cutting which swept the country. Major oil companies, which have provided £10m. to £12m. of financial support to their dealers this year, blamed part of price cutting war on the activities of smaller independent companies which have been buying cheap lots of oil on the depressed Rotterdam spot market.

The major companies claim that the price war has left their petrol operations only just breaking even.

Shell said yesterday that it would keep the market situation "under close review." BP was also "keeping the matter under consideration."

Esso said: "We feel that there is a move afoot in the market for discounts to come down and we hope that this is the beginning of a return to retailing through schedule prices. We intended to withdraw support to our dealers as soon as the competitive situation enables us to do so."

Changes for Industry Department

By Richard Evans, Lobby Editor

CHANGES in Ministerial responsibilities in the Department of Industry involving the private and public sectors are expected to be announced by Mr. Eric Varley, Secretary for Industry, this week.

The main beneficiary is expected to be Mr. Alan Williams, who moved to the Department as a Minister of State in the recent Government reshuffle. He will take over responsibility for important sections of private industry.

The other Minister of State, Mr. Gerald Kaufman, now steering the controversial Aircraft and Shipbuilding Bill through Parliament, is likely to retain responsibility for the public sector.

No split

It was stressed in Whitehall last night that the overall structure will be retained and that Mr. Callaghan has no intention of splitting the two massive departments of Industry and the Environment.

Before the Government reshuffle Mr. Kaufman's wide responsibilities ranged over both the public and private sectors of industry, as well as longer-term industrial strategy.

His fellow-Minister of State, Mr. Gregor Mackenzie, now at the Scottish Office, covered the Post Office, development aid and the Department's devolution interests.

The expectation is that Mr. Williams, a party moderate, will take some of the weight off Mr. Kaufman, who will retain responsibility for the activities of the National Enterprise Board. Mr. Varley will, as Secretary of State, retain overall responsibility for all the Department's functions.

Export credits branch moves

THE DATA processing branch of the Government's Export Credits Guarantee Department yesterday moved to Cardiff, from London.

The change is the first part of a programme in which the department's comprehensive guarantee group, comprising more than 800 staff, will move to Cardiff by the end of the decade. It is expected that about half the jobs will be filled locally.

THE LEX COLUMN

Behind the uptur[n] at Laing

John Laing is £3.2m. ahead at £14.4m. before tax and land provisions, and "at least" maintained profits are forecast for 1976. But gaps are now beginning to appear in the U.K. order intake, while the contribution from profits overseas has actually eased slightly to 28 per cent.

Still, the shares rose 4p to 108p yesterday, and Laing is clearly going to keep earnings moving upwards in the current year. The major division—U.K. construction with about a third of the profits total—produced the biggest absolute gain last year, and although sales are now running ahead of new orders the current workload does extend until 1977. In building materials, growth in insulation and loss elimination of £0.4m., in concrete explain last year's upturn. Rising rentals have kept property investment ahead but lower dealing profits have knocked the development side despite maintained returns on housing. Overseas, the story is steady progress in Spain and Saudi Arabia.

The yield of 2½ per cent.—right in line with Costain—is covered 7½ times, or close on nine times ignoring the land provisions, which eased from £3.7m. to £1.8m. last year and are not apparently going to recur in 1976. With cash balances topping £20m.—roughly matching net borrowings—there is no logic in a rights issue and anyway the group is a closed company, so this massive earnings backing may remain untapped.

See also Page 30

English Property

"I don't know what it means, but it can't be bad news" was the measured reaction of one broker to last night's statement from English Property about the future of its 66 per cent. holding in Trizec, the quoted Canadian group. EP plans to put 2.9m. of its 5.1m. Trizec shares into a new holding company, formed in conjunction with the interests of two Trizec directors. The Canadian interests will only put in 1.1m. shares, but will have just over half the votes of the holding company—and thus voting control of Trizec. So EP is effectively handing over 900,000 Trizec shares—and will receive in return a net $Can.52m., or £29m.

That represents over $57 a share against under $15 in the market, which suggests that there is more to the story than meets the eye. EP, in fact, says that the deal has been done on the basis of $28 per Trizec share, which implies that although it is not "assuming any additional debt obligation" it expects to play its share in refinancing the holding company in 1981. That is when the $46m. of new money now being subscribed by the Canadian interests becomes repayable.

EP also has a liability to subscribe an extra $12m. of new equity into the holding company. Since it is also passing over the control of Trizec, it would clearly be dangerous to impute a fancy price for its remaining shares on the basis of this transaction.

However, the group will certainly be able to find a use for $52m., and the deal will have an immediate impact on the balance sheet. Trizec will remain fully consolidated, but the cost of the investment will fall from £47m. to £18m.

See also Page 31

Simon

Simon Engineering has extended the recent series of higher profits from the process plant contractors with a £1.55m. advance to £6.7m. pre-tax in 1975. Although Simon is much more than a contractor nowadays, this side accounts for much of the overall advance. Profits from contracting were depressed in 1973 and 1974 by fixed price work, but now the group is working mainly on a fee and reimbursable basis, which is partly refle[cted in the] increase in group t[urnover,] less than a tenth ove[rall.] Profits also come thr[ough] earlier under this s[ystem, and] the group is starting [to benefit] from the major Phil[...] contract.

Elsewhere, the machinery manufact[uring com]panies have faced [...] mand in certain ar[eas of the] U.K., such as food [...] but there has be[en more] activity overseas. The [...]ing and storage comp[...] half the profits in [...] also held up much [...] expected, to judge by [the] unchanged minoriti[es.] Overall, Simon is not [making a] specific forecast for [...] reasonably confident [about] prospects, especiall[y] (now over three-fift[hs of] turnover). This con[fidence has] been reflected in a s[trong share] price performance—[...] fifth so far this ye[ar to] 136p, a capitalisation [which] is far enough ahea[d for this] stage of the cycle.

See also Pag[e]

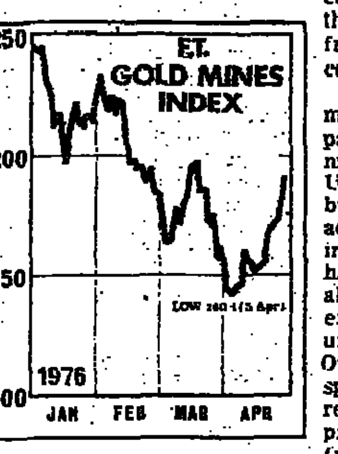
Slough Estates

Slough's report a[...] puzzle of why [...] balance sheet str[...] group last year mac[...] rights issue and [...] £5m. FFI loan. Lik[e] the sector, Slough [...] cost of completin[g ...] ments started before the boom so that ca[...]ing was £27m. last ye[ar ...]lent to an increase [...] quarter on fixed as[sets ...] end of 1974. But t[he] package and certai[n ...] term loans ensured [...] borrowings fell by [...] the group still ha[s ...] low gearing with sh[areholders'] funds of £78m. and £58m. Moreover, [...] fixed assets is likely [...] £10m. this year.

On the revenue [...] profits rise will p[...] smaller than last yea[r ...] of 26 per cent. pre[...] because the group [...] carrying costs on the [...] unlet block in Brus[sels ...] interest was previou[...]sed. Slough's reven[ue ...] is still one of the h[...] the sector and the s[...] shares is that a price [...] a discount of only a [...] the market's estimat[e ...] to-date net worth.

See also Pag[e]

Index rose 4.1 to 405.1



Weather

U.K. TO-DAY

London, S.E. England
Mainly dry and sunny. Wind N.E. Max. 12C (54F).

E. Anglia, N.E. England
Cloudy, occasional drizzle. Wind N.E. Max. 10C (50F).

Borders, Edinburgh, Dundee areas, Aberdeen, Moray Firth, N.E. Scotland
Cloudy, occasional drizzle. Wind N.E. Max. 9C (48F).

E. Midlands, Cent. N. England
Cloudy, sunny periods later. Wind N.E. Max. 10C (50F).

Channel Is., S.W. England
Dry, sunny periods. Wind N.E. Max. 12C (52F).

W. Midlands, Wales, N.W. England, Lakes, I. of Man, S.W. Scotland Argyll, N. Ireland
Dry, sunny periods. Wind N.E. Max. 13C (55F).

Orkney and Shetland
Cloudy with occasional rain or drizzle. Wind N. Max. 7C (45F).

Highlands, N.W. Scotland
Dry, sunny periods. Wind N.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	35	95	Madrid	F	17	63
Amstrdm.	S	12	54	Manchstr.	C	8	46
Athens	S	20	68	Melbourne	Sh	14	57
Barcelona	F	14	57	Milan	F	16	61
Beirut	C	23	73	Montreal	Sn	3	37
Belfast	C	10	50	Moscow	R	4	39
Belgrade	T	8	46	Munich	R	4	39
Berlin	S	12	54	Newcastle	C	9	48
Birmghm.	C	7	45	New York	C	9	47
Bristol	S	11	52	Oslo	F	7	45
Brussels	S	14	57	Paris	S	15	59
Budapest	R	14	57	Perth	F	22	72
B. Aires	S	22	72	Prague	C	8	46
Cairo	S	38	100	Reykjavik	C	8	46
Cardiff	S	12	54	Rio de J'o	C	27	80
Cologne	F	12	54	Rome	F	13	55
Copnhagn.	F	8	46	Singapore	C	25	76
Dublin	C	10	50	Stockholm	Sn	1	34
Edinburgh	C	9	48	Strasbourg	C	7	45
Frankfurt	C	12	54	Sydney	F	25	77
Geneva	C	9	48	Tehran	S	17	63
Glasgow	C	12	54	Tel Aviv	C	36	97
Helsinki	F	4	39	Tokyo	C	20	67
Hong Kg.	S	25	77	Toronto	Sn	0	32
Jo'burg	S	24	75	Vienna	C	11	52
Lisbon	F	15	59	Warsaw	F	11	52
London	F	12	54	Zurich	C	5	41
Luxembrg.	F	12	54				

HOLIDAY RESORTS

Ajaccio	F	14	57	Las Plms.	S	20	68
Algiers	S	19	66	Locarno	S	16	61
Biarritz	C	13	55	Majorca	F	18	64
Blackpool	C	12	54	Malaga	S	17	63
Bordeaux	C	13	55	Malta	F	16	61
Boulogne	S	10	50	Nairobi	C	19	66
Casablnca.	F	18	64	Naples	F	14	57
Cape Tn.	S	23	73	Nassau	S	27	81
Corfu	F	18	64	Nice	S	12	54
Dubrovnik	F	12	54	Nicosia	C	25	77
Faro	F	18	64	Oporto	R	11	52
Florence	C	13	55	Rhodes	C	22	72
Funchal	R	16	61	Salzburg	R	6	43
Gibraltar	C	16	61	Tangier	F	18	64
Guernsey	S	9	48	Tenerife	F	16	61
Innsbruck	R	7	45	Tunis	C	18	64
Inverness	C	8	46	Valencia	F	16	61
Jersey	F	11	52	Venice	R	10	50

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sh—Showers. Sn—Snow.